

How to Get Referrals with Online Networking

An online social media network can be a productive tool for building your firm's image and reputation, creating a platform for referrals.



Many believe referrals are clearly the best source of new clients for investment advisors, or any professional practice.

In fact, a recent study of global advertising¹ found that the most credible form of advertising is not done by the media, but rather are the recommendations of friends and family -- people known and trusted.

While personal contacts are the most productive way to generate referrals, online networking that's SEC and FINRA compliant can be a valuable supplemental source of referrals.

The study also reported that online channels such as Facebook or Twitter are among the most trusted advertising formats, while branded websites are the second-most-trusted format. More than half of those in the survey trust opt-in emails.

This is why Internet media can be a productive tool for building your firm's image and recognition, creating a positive platform for referrals -- from clients and others.

It's also one of the most efficient forms of advertising since it can reach large numbers of people instantly at little or no cost.

However, while online users are happy to recommend a plumber or car dealer, they may perceive there's more at stake when recommending an investment advisor.

The issue is that the referrer does not want to risk being embarrassed should the friend or family member referred lose money or otherwise have an unsatisfactory experience.

On the other hand, referrers may be less reluctant to recommend large, well-known banking and investment service providers such as Fidelity, Vanguard and J.P. Morgan.

Hence, advisors who can make use of any affiliations they have with nationally recognized financial companies have an advantage.

Getting Started

If you'd like to start a referral program using online networking, but aren't sure where to start, this paper may be able to help.

Here are some ideas and suggestions for making the most of an online networking initiative.

Using Online Networking to Boost Your Firm's Recognition and Referrals

All social media are based on connecting people together who have a common interest or relationship.

¹Nielsen Global Trust in Advertising Survey conducted between February 23 and March 13, 2015, published September, 2015, page 5.

Therefore, it's a good idea to start building an online network with your clients.

The strength of your relationships with your clients can lead to quality online referrals over time. The goal is to build and nurture an online following.

There is potentially a big benefit to doing this since many of your competitors ignore or have a notably weak online presence.

This enables you to do some open field running once you've developed a productive online networking approach. Later it can be expanded to focus on other online groups.

You undoubtedly already have the benefits of a website, LinkedIn profile, Facebook page and perhaps periodic emails and mailings to your clients.

However, the best media channels can't overcome bland content -- especially these days when user attention is so hard to capture and retain.

Bland content is reflective and often perceived as representative of a firm that itself is bland... in this instance an advisory firm that falls into the vanilla or "me too" category with nothing terribly unique to offer clients.

More investment firms are recognizing this and are working hard to deliver a quality digital presence that can grow their image across all channels.

The trick is to use your online presence to convey messages and posts that will attract interest, get read and ultimately acted upon.

Enter Content Marketing

Content marketing is a strategy that creates and shares information clearly useful and relevant to solving a problem or fulfilling a need or desire that is not readily available elsewhere.

It is not native advertising or promotional in nature, nor does it parrot information that already exists abundantly in the marketplace. It is not a sales pitch disguised as altruism.

Ideally, it is an expertly executed message that provides relevant, problem solving information.

It may be regularly issued investment commentary, a newsletter, report, or series of articles issued on a pre-determined schedule. But once started, it must be continued. One shot, "I'll do it when I have the time," or otherwise sporadic content won't do much good.

Above all, it is not white papers peppered with data presented in confusing tables and graphs.

It should be information that is unique to you and your firm. If your content mimics or otherwise duplicates investment information that is already out there, you lose the opportunity to demonstrate that you and your services are exceptional.

Offering Your Content

Use your network to offer worthwhile, educational information to clients and prospects.

Notice the word offer above. The most effective content is not simply transmitted, but rather offered to clients and prospects.

Offering your content rather than transmitting it elevates it from being something that's fleeting by into something more substantive, significant.

It enables you to promise implicitly that your content is proprietary -- exclusive -- financial or investment insights of unusual value to the reader.

When a client requests the content you are offering and ultimately benefits from it, you've helped build favorable rapport. This is the type of regard that strengthens your reputation, ultimately leading to referrals.

For prospects, your content is ideally discovered through a search.

A recent study² found that 67% of consumers were more likely to buy a new product if they found it on their own... in a Google search.

78% of consumers believe that business owners who provide custom content are showing that they want to build good relationships.

More significant is a finding that 68% of consumers take the time to read content from sources they know and like. So sharing your knowledge benefits everybody.

Your content can be offered proactively via postings, messages, and other ways social networks provide connections. Just provide the links for delivery of your content whether digitally or by mail.

Offering your report, guide, newsletter, etc. enables you to track who is requesting what you have to offer. But more about that later.

Examples of Attention Getting Content

In the next column, you'll find some thematics for producing effective content for your investment-oriented readers.

²Google, Sterling Research and SmithGeiger, *What Users Want Most from Mobile Sites Today*, July 2012. The report surveyed 1,088 US adult smartphone internet users.

Answers to Questions - people with money to invest are looking for answers. They usually have many questions about how to invest and manage their money. Most people realize that the problem is too complex to go it alone, so they are open to hearing about solutions.

That's why Q&A is always a good, straightforward approach for attracting attention online! Delivered content that uses a pithy question and answer approach is an excellent way to get your messages across. As long as the content does not constitute investment advice, this can be an affective approach.

Success Stories -- people can benefit from the experiences of others in solving real life financial problems. Using hypothetical situations loosely based on actual cases makes interesting reading.

For example, a generic story of how a widow learned to manage the couple's investments after her husband died, or the software engineer who rolled over his 401k plan into an account that performed far better than his 401k.

Rather than simply exhorting clients and prospects to protect capital through diversification, success stories can dramatically illustrate why a given strategy works.

Readers identify with an investment scenario since they could be facing a similar problem with their own money.

Given the compliance constraints on marketing model portfolios and performance-based information, story based marketing themes can help illustrate how your particular strategies achieve client desires. Just be sure to comply with all applicable rules and regulations, including not posting testimonials, cherry picking success stories or including past specific recommendations. If you are not sure how the rules apply in this situation it is advisable to reach out to your legal and/or compliance contacts for assistance.

For middle-aged clients and prospects, a college funding story could be especially attention getting.

Money Facts and Comparisons -- people want to know about ways they can handle their money better. However, most people don't have the time or inclination to search them out.

Short postings that fall into the "Did You Know" category almost always are noticed and read. They can tie into an offer of more information on the topic.

Be sure to provide your content in short paragraphs with tantalizing headers or listings. This draws readers in and enables them to get to the facts or idea quickly.

Suggested topics are taxes (of course), interest rates, health care

costs, credit management, dividend stocks, college costs, final expenses, Social Security, retirement income, LTC, wills and trusts, real estate, elder care.

Expertise -- as a professional, credentialed investment advisor or planner, you've undoubtedly developed your own particular solutions for solving money management problems.

Through the years, you've likely been through a variety of market and economic circumstances. There's a great deal you know -- perhaps uniquely -- that you can share with clients and others.

Online content enables you to use your expertise to gain attention and hopefully a following... so your network members will say, "This guy/gal knows what they're talking about... so I'll pay attention."

When a new client signs up with you, they are buying you. The better they know your professional capabilities, the more likely they will happily make online endorsements of your work that gets referrals.

Event Impact Analysis -- any major financial or economic event that has the potential to impact client portfolios is an attention-getting topic.

A social media post and offer targeted to clients and others elaborating on how the event could impact various investment portfolio styles is likely to generate considerable interest.

Content Guidelines

1. **Be Different** -- People with money to invest can be turned off by traditional investing platitudes. They want new, smarter ways to invest their money, without complexity, fear, or mumbo-jumbo.

2. **Be specific.** Avoid vague generalities in your content. Name names, cite facts. Where possible, avoid investment and economic lingo. Say things in new and different ways that grab attention.

3. **Keep your audience in mind.** Your clients and prospects may not be investment experts, but they're smart and successful, so talk up to them, not down. Content for Facebook, for example, will likely be different from your content for LinkedIn and other platforms.

4. **Keep it short and eye friendly...** especially if you have younger and middle age clients. They've grown up in an age of snippets and snapshots. They relate better to crisp phrases and sentences.

5. **Facilitate visions.** You can never know exactly what a client

or prospect envisions for their money. Try to provide a mechanism for them to create their own vision -- not fit into yours. Posing questions can help provide these mechanisms, e.g. "What could you do with an extra 20% more in monthly retirement income?"

6. **Tie it to your central theme.** Online content is most effective when it supports your primary mission. It should reflect the reasons why your clients are drawn to do business with you instead of someone else. Present your content within the larger theme of why your advisory and planning services are different, better.

Tracking and Testing

One of the great benefits of online networking and marketing is that you can test out various media, messages and offers.

Make sure you track -- where possible -- the source of your response. The simplest tracking is to make your offer on one platform at a time.

Direct marketers do this routinely. If one approach does not work, they try others until one, perhaps several are found to get the results desired.

So don't be discouraged if you try some ideas and they don't work. It simply means you probably need to look at the topic(s) in your message and target audience.

You can't sell snow blowers to Floridians. Thirdly, look at your message/posting. Does it get attention, interest? If not, why not?

LinkedIn Endorsements

LinkedIn is one of the most widely used platforms for endorsements. Its orientation to business and professional people provides fertile ground for advisors wanting to network.

In fact, many people will search LinkedIn first, even before they visit your website.

However, LinkedIn and other media must be used cautiously. Investment reps and advisors must make sure they use any social medium in a compliant manner.

Social media compliance is a real issue since textual messaging can be viewed as advertising that requires careful oversight, tracking and record keeping.

Communicating portfolio and investment performance typically requires long blocks of footnotes, caveats and warnings incompatible with social media's pithy content.

So how can you use LinkedIn to gain hits leading to referrals and new contacts?

First, solid professional credentials in a LinkedIn profile supported by quality graphics is a must do. In fact, it's advisable to call in a professional copywriter, preferably with experience in direct response, to create, or at least edit and polish your LinkedIn profile information.

A paid LinkedIn profile is even better. A paid page enables you to place a large amount of information on your credentials and services. Paid LinkedIn accounts offer many added apps to expand your reach.

SEC and FINRA regulations prohibit the use of testimonials, endorsements and advertising that relate to investment services and the management of money.

Accordingly, some advisors have simply eliminated endorsements from their profiles altogether.

But there can be an alternative and that is to hide endorsements from clients and others that refer to skills in money management and investment performance.

These endorsements can be eliminated from the LinkedIn platform, while expanding endorsements for other highly desirable, sought-after skills.

These skills (e.g. leadership, consulting, relationship management, executive skills, analytic skills, strategic planning) can help you be discovered within the billions of relevant LinkedIn searches done annually.

Skills apart from those typically listed, can be created by your endorsers and added to the skills list.

Further, the number of endorsements you have for various skills potentially adds to a LinkedIn search ranking as well.

Gathering and publishing endorsements of desirable skills which are not related to money can bring a boost to visibility and discoverability on LinkedIn!

In this way, advisors are known to be using the social media for defacto, indirect endorsements.

Still, you may prefer not to tempt regulators and examiners with gray-area issues, which includes the public display of various LinkedIn endorsements.

As digital media continues to expand its value as an effective content marketing strategy, opportunities for advisors and financial planners to distance themselves from the pack increase.

How well you are regarded will increasingly depend on how well and how widely you can tell your story.

So what other ways can you use social media to build a source of referrals?



Facebook

Facebook offers a range of easy-to-use, tools for reaching clients and potential clients with rapport building content.

If you elect to buy ads, Facebook features webinars on the latest ways to use their medium in your marketing strategy. You can craft content for mobile or desk delivery that can connect to your target markets.

Twitter

In the case of Twitter messaging, you can connect with people based on the keywords they've used in their recent Tweets.

This feature enables you to target users with key words indicating an interest in investment matters. You can also select people according to their geographical location, gender, and the device they are using.

Your Website

Today, the first thing anyone does when they want more information about you and your firm is to do an online search. That means they're certain to find your home page.

Does your site make a powerful first impression?

Too often financial and investment websites miss the mark in a number of ways.

First, keep in mind that the goal of your website is to provide enough provocative information for your site visitor to want more.

Home Page Suggestions

- Lead with the theme of your advisory service. In a phrase or sentence, tell the benefits you offer.
- Feature an informal group photo of you and your associates.
- Prepare bulletin points listing your achievements, strengths, services.
- Provide a link to your best commentaries.
- Identify your target audience, e.g. *specializing in retirement investment strategies*.
- Prominently display your phone number, office hours and contact information.
- Offer to email or mail a special report, guide or other items of value - provide a reason to call or email you.

e-Newsletters

If you have one, consider using your client e-newsletter as a referral tool.

When you send out your next client newsletter, ask your recipients if they know of friends who might benefit from receiving it regularly.

Any name and email address automatically becomes a referral prospect with a great follow-up lead-in. "A mutual friend, John Doe, suggested that you might enjoy receiving my investment newsletter..."

Blogs

Interesting blog sites can produce a cadre of readers.

In time, your blog content can grow readership and enhance your reputation -- provided they satisfy reader interest.

You can establish a blog site using one of the many hosting services available such as HostPapa, ix Webhosting, FatCow, myhosting, 247-host, etc. Some cost only a few dollars monthly.

Getting referrals from your blog depends on the content and embedded key words and phrases. A good blog contains information people are looking for.

Suggestions for your blog's content are the same as those used in your social network marketing.

As you prepare content, be sure to include keywords and search terms people might use to find your blog.

If you are marketing your investment products and services locally or regionally, one of your keywords should be your location (city, state, and region).

Summary

The social media are playing an increasingly important role in the marketing of financial planning and investment services.

The key to reaping the rewards of the social media as a platform for gaining referrals is magnetic content.

An online strategy that creates and shares information that's clearly useful and relevant to solving financial needs and desires will do much to enhance your reputation and grow your business.



Keep it up to date. Having an obviously outdated website hurts in today's world of NOW.

For more referral marketing, be sure your website visitors find out who you are, what you do, and what's in it for them.

Why BTS?

While unique content is the key to successful online networking, so too, are the unique attributes of the BTS investment philosophy. If you have conservative clients who are sensitive to risk and market volatility, but seek returns higher than those of money funds and CDs, BTS would like to speak with you.

About BTS Asset Management

Founded in 1979, BTS Asset Management is one of the oldest risk managers, managing traditional assets with a nontraditional approach. BTS has a multi-year track record in tactical fixed income and equity management. Our goal is to find opportunities with the potential to take advantage of rising markets while working to manage losses during downturns.

BTS:

- Seeks to preserve capital
 - Aims to offer downside protection and upside potential
 - Strives to reduce volatility while delivering consistent long-term returns
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Choose BTS.





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