



Advisor Value Propositions:

How Advisors Showcase Their Value to Investors—and What Investors Secretly Think



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What You Need to Know in 30 Seconds

A unique value proposition helps you grow your business.

In a crowded profession, you need to set yourself apart with a brief statement that explains what you offer and why it is unique and valuable to your target clients.

Over 60% of investors think all advisors make the same promises, making it hard to tell the difference between them.

In an independent review, 26 of the 2017 Barron's Top 100 Independent Financial Advisors' websites claim they "provide comprehensive portfolio management."

There is a winning formula to writing value propositions.

Top-rated value propositions combine four things: attributes of the advisor firm, benefits to the client, a rational argument and an emotional component.

Advisors need to speak more loudly about trust, accountability and transparency.

Trust is a critical issue to clients. However, they are almost evenly split on whether advisors truly look out for their clients' best interests, or their own.

One remarkable trend among clients is the growing importance of happiness, enjoying life and feeling good about their wealth.

7 in 10 investors say it's very or extremely important to have a financial plan that addresses their life goals, not just their finances. They want advisors to make them feel confident, self-assured and empowered.

Words matter.

Specific word choices make a difference, even if the basic meaning is the same. For example, 84% of investors prefer "comprehensive" to "holistic."

Tailor your message to your ideal target demographic.

While different generations do share major concerns, Millennials really are different. They care much more about community impact, ease of communications and lifestyle considerations.

Advisors are underutilizing social media as a tool for promoting their value propositions.

Over 40% of all investors (and 73% of younger investors) turn to Google to research advisors. But advisors are not optimizing their social media presence. 1 in 3 investors have looked at advisors' personal Facebook pages—and more than half of them decided not to work with an advisor as a result.

Why Your Value Proposition Matters

Financial services firms are under pressure. Client attitudes are changing. Fees are coming under closer scrutiny. Billion-dollar-plus firms are raising the expectations bar. As firms try to expand, they struggle to keep their multi-advisor teams working in sync. To grow your business in this environment, you need a way to set yourself apart from the pack. You need a unique, compelling value proposition that more than justifies your clients' investment in you.

A unique value proposition builds value in your business

Your ultimate goal is to optimize the value of your business. But before a buyer, a merger counterparty or a strategic partner can see your true value, your clients must recognize it first. Russell Investments estimates that the value of advice beyond investment management exceeds 4% of AUM,¹ but these days, advisors sometimes have trouble justifying even a typical 1% fee to prospective clients.

A value proposition demonstrates how you deliver real value above what your client is paying you—and more than any competitor can offer. To achieve that goal, your value proposition needs to clearly state the benefits you offer to your clients, and explain why you are uniquely qualified to deliver those benefits. It includes:

- Whom you serve—that is, your ideal client profile
- What you offer
- What specific problems you solve
- How you solve them
- Why you solve them; what motivates you to do what you do
- Why prospects should choose you rather than any other advisor
- Why your claims are believable

All of these ideas need to be expressed succinctly, in just a few sentences. And it must be unique; no other advisor in your footprint should be able to say exactly the same thing.

Can't your clients just figure all this out for themselves? The answer is a resounding no. Clients need you to explain how all the pieces fit together. If you don't clearly articulate your value proposition, you can't expect them to do it for you.

A unique value proposition helps you:

- Break through the clutter of competing options
- Tell a more convincing story
- Tailor your message to your audience's needs

- Hone in on a niche you can dominate—typically, a far more successful strategy than trying to be all things to all people
- Help your team members work in concert
- Leverage your centers of influence by giving them a clear way to explain your value and match your capabilities with the right prospects
- Make it easier for clients to share your story and generate referrals
- Inspire more successful recruiting efforts, alliances and acquisitions
- Build value in your firm for an eventual sale or transition

“The strength of that [value] proposition dictates the difference between being a commodity or commoditized provider and a true value provider.”

— Mark Tibergien, CEO and Managing Director at Pershing Advisor Solutions²

Why many value propositions fail

Today, most advisors recognize the importance of a compelling value proposition. The trouble is, many don't know quite what to say—and aren't sure what investors want to hear. Many fall back on generic claims or trite clichés, making it hard to tell the difference between them.

Investors think all advisors sound alike. It's time to change that.

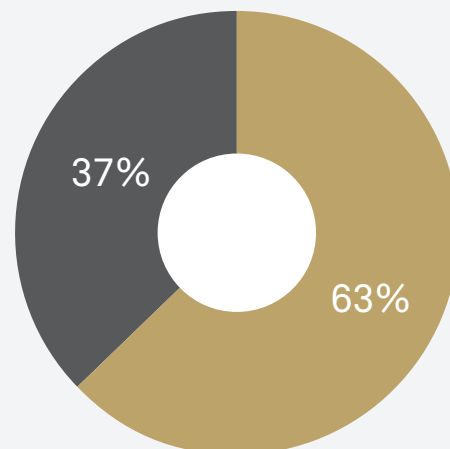
All financial advisors make the same promises, making it difficult to distinguish between them.



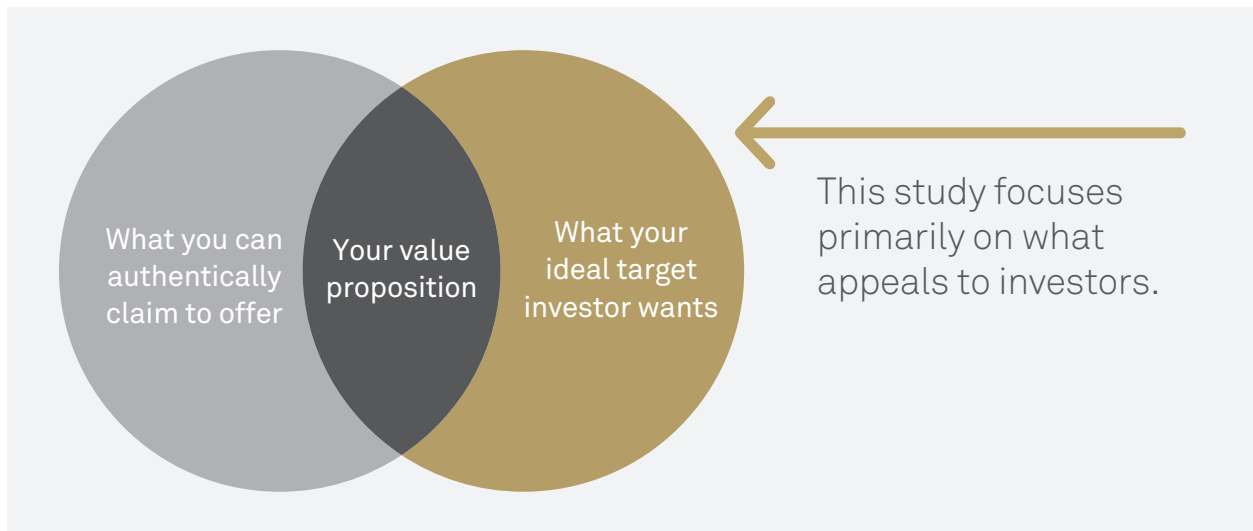
Agree



Disagree



Your value proposition is the overlap between what investors want, and the unique attributes of your firm.



What you'll learn from this study

If you want to create a compelling value proposition, you first need to look inward. You have to take time to understand every aspect of your ideal client profile. Assess your specialized skills. Clarify your aspirations and your vision for your firm. Define the specific promises you want to make to your clients.

But you also have to look outward. You'll need to understand what prospective clients want from an advisor, how they make their decisions, and where they look for information.

The only way to know what investors really want is to ask them—which is precisely what we did. Working with The Harris Poll, we mined the company websites of Barron's Top 100 Independent Financial Advisors for 2017 to find the value themes and statements used by these leading firms. Then we surveyed over 1,000 high-net-worth investors to answer key questions:

- How do top advisors present themselves to potential clients?
- What do investors think about these value statements?
- Which specific words do they prefer?
- Where do they look for information about advisors?
- How can you (as an advisor) put these answers to work in your firm?

We also sought to uncover the secret or "latent" drivers of investor behavior that they may not even be aware of themselves— notions that they may think, but not be able to articulate—using forced-choice scenarios and sophisticated statistical techniques.³ (You can find the more detailed methodology later in this report.)

You'll find all these answers presented in the pages that follow.

Do This Now

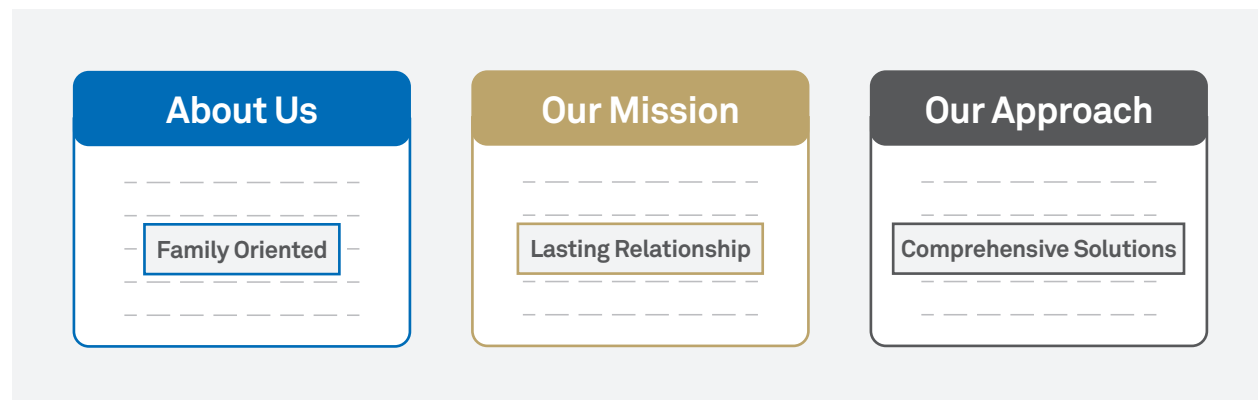
Do you have a value proposition? How do you describe the unique value you deliver to your clients? Does your statement address all the necessary elements, including:

- Your ideal client profile
- What you offer
- What specific problems you solve
- How you solve them
- Why you solve them; what motivates you to do what you do
- Why prospects should choose you rather than any other advisor
- Reasons why your claims are believable

Part I: How Barron's Top 100 Advisors Tell Their Value Stories

To find out which messages are the most compelling to clients, we started by looking at examples from the best in the business. How do the nation's top-performing advisors describe their value propositions to clients? What words, phrases and statements do "best-in-class" advisors typically use? To answer this question, we analyzed 76 public websites belonging to Barron's 2017 list of Top 100 Independent Financial Advisors, "web-harvesting" text that reflects their stated value propositions. Typically, these types of statements appear on pages titled, "About Us," "Our Mission" and "Our Approach."

First, we harvested value proposition statements from the websites of 76 of Barron's 2017 Top 100 Independent Financial Advisors.



Then, we identified the language top advisors use most—and how often they use it.



The phrase cloud above highlights the most popular value statement themes, and illustrates how often they appear on top advisors' websites. From this data, we can draw some interesting insights. The obvious take-away: ***Top advisors are saying good things, but too often, they're saying the same things.***

Firms talk more about themselves than about their clients.

Many of the most popular phrases on advisors' websites focus on the firm itself, or list the features of its products and services, rather than speak in terms of client benefits. Examples include:

- Comprehensive portfolio management
- Explanation of the firm's type of business model
- A conflict-free environment
- Disciplined asset management
- High-quality services
- Focus on families
- Adherence to core values
- Fee only/no commissions

Client benefits do get some attention.

Other popular themes do focus on client benefits, including:

- Long-lasting relationships
- Understand your needs and expectations
- Achieve your life goals and dreams
- Achieve retirement goals
- Use wealth to empower a life well-lived
- Provide a clear action plan
- Work in clients' best interests
- Right strategy for you

The trouble is, firms often fail to link firm attributes with client benefits. The result is that features alone beg the question, "So what does it mean to me?" while benefits without features can lack credibility.

A few firms venture into less-populated territory.

Less common phrases seem more tightly targeted, such as:

- Customized, concierge-style approach
- Family-oriented culture
- Navigate volatile markets
- Exceptional value

Top advisors are trying out new themes and ideas.

Some new phrases are making a debut appearance on top advisors' websites, compared to the results of a similar study conducted by Pershing with Harris four years ago.⁴ Among features and firm attributes, new themes include:

- Comprehensive portfolio management
- Disciplined, detailed asset management
- Focus on families
- Adherence to core values

Newly appearing client benefits include:

- Achieve your life goals and dreams
- Retirement planning/retirement goals
- Using wealth to empower a life well lived
- Team provides personalized service/clear action plan

This report will address these newly emerging ideas in greater detail in the next section.

Where is the story on social media?

The first part of this study focuses on advisor websites. When we asked the researchers to look for advisors' value propositions on social media as well, they came back nearly empty-handed. Why? Advisors don't talk about their value propositions on social media very much. Even top-performing firms are underutilizing this powerful engagement tool. See Part III of this report for more details.

Key takeaways:

- Most top advisors say similar things. "Comprehensive portfolio management" is the most popular theme.
- Firms talk about themselves a lot—but don't always explain how their credentials or capabilities translate to client benefits.
- Some new trends are emerging. Advisors are talking more about the independence of their firms and the lifestyle aspirations of their clients.

Do This Now

Create your own phrase cloud. Search online for free word cloud or phrase cloud generators. Feed it the copy that appears on your "About Us," "Our Philosophy" or similar web pages. Do the same for your brochures and presentations.

- How does your cloud compare to the Barron's Top 100? To your closest competitors?
- Does it present your firm the way you want potential clients to see you?
- Do you talk too much about yourself?
- Are you overusing certain words and phrases? Underemphasizing others that are more important?
- Do you link features of your firm to client benefits?

Part II: Which Value Propositions Resonate With Investors?

We've seen what top advisors are saying. But do high-net-worth clients like what they're hearing? Which messages resonate most with clients—and which fall flat?

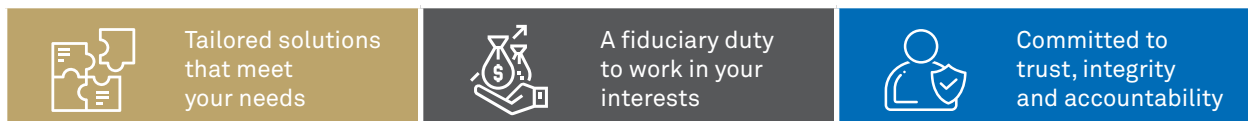
To answer these questions, Pershing commissioned The Harris Poll to conduct an online survey of a nationally representative sample of 1,031 investors (advisor clients and potential prospects) with at least \$1 million in investable assets.⁵ The survey was conducted from February to March, 2018. We asked what they really thought of advisor value propositions, and also probed their top-of-mind thoughts, subconscious attitudes, word preferences, and preferred sources of information about advisors, including social media.

Our top 5 findings: how to write a value proposition that works

The survey results teach 5 key lessons that advisors should consider.

1. Include these 3 “table stakes” themes in your story—but don’t expect them to differentiate you.

Investors care about 3 themes over all others—so strongly, in fact, that almost all advisors should consider adding them to their websites.



Top-ranked winners.

The specific statements that investors ranked at the top include:

- We are a registered investment advisor with a fiduciary duty to your interests (82% extremely or very important)
- We are accountable to our clients—we say what we do, and do what we say (80%)
- We built our firm on integrity and trust, because doing what is right for you is better for our business in the long run (79%)
- We help you reach your goal with tailored solutions that meet your needs (76%)

The trouble is, these same ideas already appear frequently on advisors' websites (as you can see from the word cloud in the previous section). So while you should include them, don't expect them to differentiate you from other advisors.

2. Turn up the volume on trust, integrity and accountability.

Investors care about these issues very much, but advisors tend to speak too quietly about them. That's understandable. Trust is a difficult concept to convey, beyond simply saying, "trust us." The good news is that, thanks to all the recent press coverage, the word "fiduciary" has wormed its way into public consciousness, giving advisors and clients some shared vocabulary. Also, advisors have begun talking more openly about their core values, which seems to be helping them to engage clients on a deeper and more authentic level.

Investor opinion is split on whether advisors truly work in their best interests.



Their Clients' Best Interests

Advisors truly work in the best interests of their clients, and recommend products that meet their needs, whether or not they are the most profitable options for the advisor or firm

52%



Their Own Interests As Well As Their Clients'

Advisors have their own interests in mind as well as the best interests of their clients. They are likely to recommend the option that is more profitable to the advisor or firm

48%

While more investors are now aware of what the word "fiduciary" means, advisors shouldn't be afraid to go back to basics and emphasize that they have a legal and professional duty to "put the clients' interests first."

3. Plug into the latest emerging trend: Don't worry, be happy.

In a notable change from our earlier research,⁶ investors now want advisors to think about more than just their finances. They're looking for help in improving their entire lifestyle.



72%
**Extremely or
Very Important**

"We believe financial advice is about having a plan that is customized to reflect your life's goals beyond just your finances."

What high-net-worth investors *really* seem to want is permission to be happy about their financial position. That's now the single most important "latent" motivator—something that influences behavior even more than investors consciously realize. "Leaving a legacy" is important, but not as important as enjoying their wealth in the here-and-now.

The good news: advisors are already starting to incorporate these ideas into their value propositions, as you can see in our phrase cloud in Part I of this report—“Empowering a life well-lived.”

In addition, there has been an uptick in the number of advisor messages about retirement and retirement planning, and a corresponding decrease in mentions of estate planning.



If you want to convey that you help investors feel happy about their decisions, don't use the phrase “peace of mind.” Yes, technically it means exactly the same thing. In practice, though, it falls into the bottom 5 statements in importance. Something about these particular words sounds too vague, overused and trite to appeal to prospective clients.

4. Talk less about your services and expertise, and more about protecting your clients' money.

It's possible to say all the right things, but emphasize the wrong ones. Certain themes are good motivators but don't need the amount of website real estate that advisors devote to them. By contrast, other themes deserve a little more attention than they get.



Turn Down
A Little

- ↓ Comprehensive services
- ↓ Knowledge/expertise



Turn Up
A Little

- ↑ Conservative investment approach
- ↑ Capital preservation
- ↑ Navigate volatile market condition

Protection and capital preservation aren't necessarily big attention-getters or unique points of distinction. But when the time comes, they do help drive investors' decision-making process.

5. Follow a 4-ingredient recipe for success.

The value proposition statements that rated highest among investors all share one thing in common. Each combines four separate elements into a single statement:

- **Attributes.** A feature of your firm, such as your size or experience.
- **Benefits.** What a client gains from working with you.
- **Reason.** A rational explanation showing how your firm's attributes produce client benefits.
- **Emotion.** An appeal to feelings, including hope, worry, ego, love or aspiration.

Combining all four ingredients gives you the best chance for success. Investors feel far less excited by statements that include only one or two elements—especially if they fail to link emotional and rational arguments together. Many advisors' value propositions leave off some of these key ingredients, creating an opportunity for advisors who can get the recipe right.

“We help you make more informed and effective financial decisions that allow you to feel relieved, confident, self-assured and empowered—and feel good about your wealth.”

— Value proposition with emotional appeal

Investors respond best to value statements that combine 3 or 4 elements.

firm attributes A	client benefits B	rational argument R	emotional appeal E
Important when choosing an advisor (extremely or very important)			
We are a registered investment advisor with a fiduciary duty to your interest		82%	A B R
We are accountable to our clients—we say what we do, and do what we say		80%	A B R E
We built our firm on integrity and trust, because doing what is right for you is better for our business in the long run		79%	A B R E
We help you reach your goals with tailored solutions that meet your needs		76%	A B R
We continuously monitor the market to help you navigate volatile conditions		74%	A B R
We believe financial advice is about having a plan that is customized to reflect your life's goals beyond just your finances		72%	A B E

Value statements that didn't follow the recipe attracted the least investor interest.

Important when choosing an advisor (extremely or very important)			
We provide guidance through life's major events, including marriage, divorce and inheritance		52%	B R
As a local firm first, we invest our time, talent and resources to serve and enrich our community		43%	A E
We help business owners balance the needs of their business and their personal goals		42%	B R

When it comes to the true, hidden drivers of investor behavior, emotion is even more important.

One component of our survey forced investors to choose among different value statements presented at the same time. Using this approach, sophisticated statistical techniques can reveal the hidden factors that *really* influence investor behavior—even if investors don’t consciously realize it. This analysis shows how important it is to follow the value recipe, especially when it comes to making an emotional appeal.

Derived importance (top latent motivators):

We help you make more informed and effective financial decisions that will allow you to feel relieved, confident, self-assured and empowered—and feel good about your wealth		<i>New! Debuts at the top of the list in derived importance</i>
We help you reach your goals with tailored solutions that meet your needs		
We built our firm on integrity and trust, because doing what is right for you is better for our business in the long run		<i>Up big since 2014. Press coverage has played a huge role</i>
We are a registered investment advisor with a fiduciary duty to your interests		
We are accountable to our clients—we say what we do, and do what we say		
We believe financial advice is about having a plan that is customized to reflect your life’s goals beyond just your finances		
We take great joy in helping clients attain the lifestyle they’re striving for, maintain that lifestyle for the rest of their life, and retain that lifestyle for generations to come		

Actions Speak Louder Than Words

Why you can’t just ask your clients what matters to them

Sometimes investors may say a specific value statement is very important to them—and yet, when they’re asked to choose between it and other value statements, they prioritize another option instead. This suggests that top-of-mind issues aren’t always the ones that drive actual behavior. We found several instances where there was a significant difference between what investors said was important, and what they selected as most important when asked to choose. Typically, winners in a forced-choice exercise represent the real drivers of behavior.

Issues that investors say are important, but may not actually drive behavior

- Open communication, with a guaranteed response within 24 hours
- Access to best-in-class investment managers
- Staying current with the latest technology, market developments and education
- Peace of mind in uncertain times

Issues that drive investors' behavior, even though they don't recognize their importance at first

- Helping you make more informed and effective financial decisions that will allow you to feel relieved, confident, self-assured and empowered—and feel good about your wealth
- Tailored solutions to meet your needs
- Capital preservation and income
- Conservative approach

Do This Now

Label each of your own value statements as having attributes, benefits, rational and emotional elements.

- How many of your claims touch on all four ingredients in the formula?
- Are you over-emphasizing your firm's features and capabilities?
- Is your tone too rational?
- Do you express an emotion or value with nothing concrete to back it up?

Tailoring your message to your target demographics

An effective value proposition is one that appeals to your unique audience—whether you serve young professionals, old retirees, the mass affluent, or ultra-high-net-worth families. And not all clients care about the same things. For example, young professionals may want to start building wealth while ultra-high-net-worth clients are looking to preserve it and pass it on.

Does that mean you need to create multiple value propositions to reach every segment of your target audiences? To answer that question, we drilled down to see how key attitudes differed among investors of various generations and net worth.

The good news is, the most important themes are important to all audiences, so you don't need to create a completely different value proposition for each target. For example, most groups place high importance on two statements:

- “We help you make more informed/effective financial decisions...feel relieved, confident, self-assured and empowered—and good about your wealth.”
- “We help you reach your goals with tailored solutions that meet your needs.”

However, there are differences in other areas.

Generational differences

Generations diverge in many ways, partly because they are facing different life stages, but also because they grew up with unique life experiences and have developed different attitudes.

Across generations, investors share similar top concerns, but with a few twists.

Under age 40 Millennials care more about lifestyle and work/life balance.	Ages 40-64 Gen X is goal-oriented.	Ages 65+ Boomers are more conservative and focused on preservation.
Top 2 Most Important Value Statements for Each Generation		
<ul style="list-style-type: none"> • We help you make more informed and effective financial decisions...feel relieved, confident, self-assured and empowered—and good about your wealth • We take great joy in helping clients attain the lifestyle they're striving for, maintain that lifestyle for the rest of their life and for generations to come 	<ul style="list-style-type: none"> • We help you reach your goals with tailored solutions that meet your needs • We help you make more informed and effective financial decisions...feel relieved, confident, self-assured and empowered—and good about your wealth 	<ul style="list-style-type: none"> • We focus on capital preservation and income • We are a registered investment advisor with a fiduciary duty to your interests

However, on many issues, the youngest and oldest generations want very different things.

Value statement with ↑ or ↓ is significantly more or less important to this age group	Under age 40	Ages 65+
We help you reach your goals with tailored solutions that meet your needs		↑
We help business owners balance the needs of their business and their personal goals	↑ Millennials are often regarded as the most entrepreneurial generation.	<i>Retired business owners have already moved on.</i>
We provide guidance through life's major events, including marriage, divorce and inheritance	↑ Millennials have more life changes ahead of them—and more confusion about whether the old formulas still work.	
We focus on capital preservation and income		↑
We are a registered investment advisor with a fiduciary duty to your interests		↑ Risk-averse older investors care more about trust, integrity and preserving wealth.

Value statement with ↑ or ↓ is significantly more or less important to this age group	Under age 40	Ages 65+
As a local firm first, we invest our time, talent and resources to serve and enrich our community	↑ From community involvement to responsible investing, Millennials care more about making a positive impact on the world.	
We help high-net-worth individuals build a legacy for their families	↑ It's remarkable that Millennials responded more positively to the idea of building a legacy than retirees did.	
We take a prudent approach to help you minimize your risk		↑
We are committed to open communication, guaranteeing you a personal response to every call or email within 24 hours	↑ Millennials expect 24/7/365 digital connectivity.	
We relieve you of the burden of managing your finances so you can be free to do what is important to you	↑ Younger people often see themselves as overwhelmed with information.	
We built our firm on integrity and trust, because doing what is right for you is better for our business in the long run	↓ Trust matters a great deal to Millennials—but just saying “trust us” isn’t very persuasive.	
We take great joy in helping clients attain the lifestyle they’re striving for, maintain it for the rest of their lives and for generations to come	↑ Lifestyle considerations have emerged as a major value theme, and Millennials are a major reason why.	

The research makes clear that Millennials have a sharply different worldview from older generations. Overall, Millennial investors:

- Are more active and self-directed, and tend to work with multiple advisors
- Look to the Internet and social media as information resources rather than personal recommendations (more on social media later on in this report)
- Focus on their lifestyle as a whole, not just finances
- Care more about corporate social responsibility

Wealth-driven differences

Asset levels also determine what investors care about most.

Ultra-high-net-worth investors value business advice more than others do, while the mass affluent want to feel more confident.

Investors with
\$1M-2M
found



We help you make more informed and effective financial decisions...feel relieved, confident, self-assured and empowered—and good about your wealth

**More Important
than other investors.**

Investors with
\$5M+
found



We help business owners balance the needs of their business and their personal goals

**More Important
than other investors.**

Do This Now

Assess whether your value proposition appeals to the right target.

- Define your ideal clients by age, assets, goals, shared values or any other attributes that make sense.
- Review the data in this chapter to make sure that your value proposition fits with what is important to your chosen target group.

Part III: Words That Work—and Words That Don't

Words matter. On that, the research is clear. So far, this report has discussed what to say—but equally important is how you say it. Specific word choices may have a big impact in your ability to persuade investors.

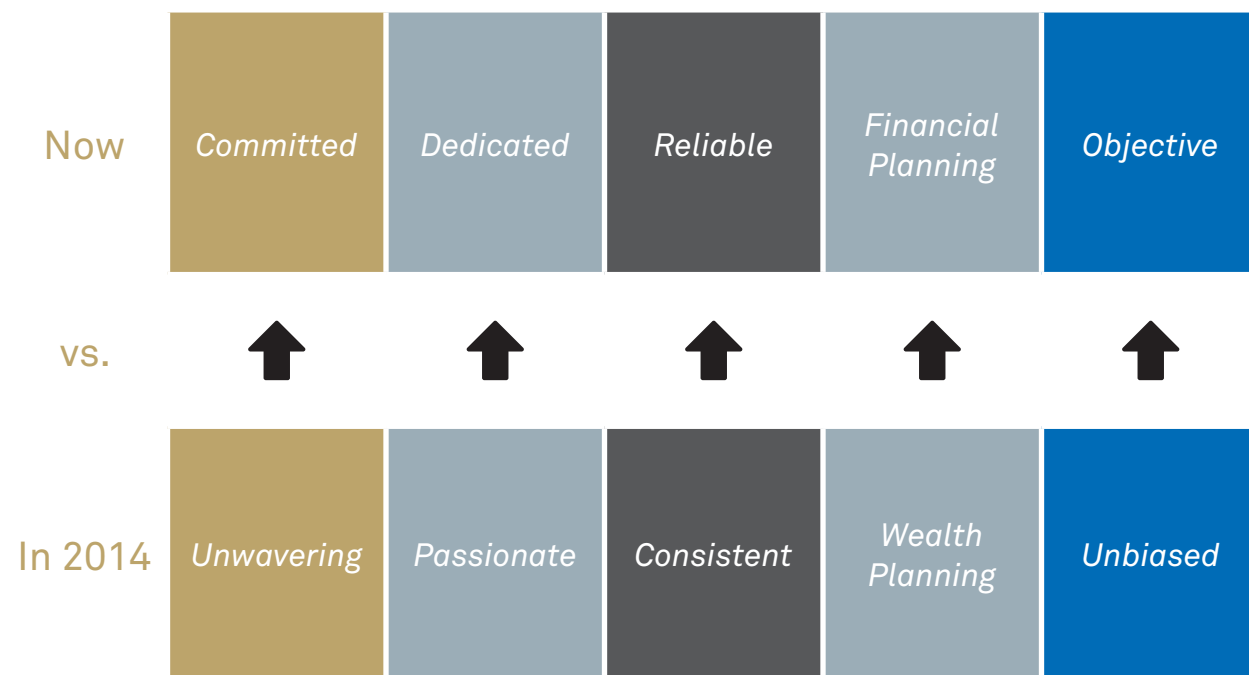
As part of the study, we presented investors with pairs of synonyms or near-synonyms that often appear in value propositions, and asked which they prefer. In certain cases, investors express a strong preference for one word over another, even when they mean essentially the same thing. For example, “comprehensive” is strongly preferred over other alternatives such as “holistic” or “expansive.” In other cases, investors don’t seem to have a strong preference. For example, “no commission” and “fee only” are essentially interchangeable.

The ‘Power Words’ That Investors Prefer Most			
More preferred			Less preferred
Committed	89%	11%	Unwavering
Comprehensive	84%	16%	Holistic
Comprehensive	82%	18%	Expansive
Dedicated	74%	26%	Passionate
Comprehensive approach	74%	26%	360 degree view
Independent	69%	31%	Employee-owned
Reliable	68%	32%	Consistent
Financial planning	64%	36%	Wealth planning
Objective	64%	36%	Unbiased
Acting in your best interests	63%	37%	Fiduciary
High-net-worth	63%	37%	Wealthy
Solutions	61%	39%	Services

Prospective clients are influenced by the buzzwords of the day, so it pays to keep your communications up to date.

Compared to our 2014 study, investors have completely reversed their preferences on certain words.

Words that investors prefer now, even though they didn't in 2014.



For advisors, this result underscores how important it is to continually update websites, brochures and other communications. The goal isn't to completely eliminate all of the less-preferred words, since they still carry value and tastes are constantly changing. Simply give current trends and buzzwords enough prominence to show you have remained relevant.

Word preferences vary by age.

Language changes over time—including financial terminology. Younger investors sometimes prefer words that feel more modern and emotional, while the oldest investors seem to stick with a traditional tone.

	Under 40	Ages 40-64	Age 65+
Fiduciary vs. Advocate	35% 65%*	56% 44%	72%* 28%
Dedicated vs. Passionate	53% 47%*	74% 26%	91%* 9%
Achieve objective vs. Live the life you want	45% 55%*	61% 37%	70%* 30%
Individualized vs. Customized	43% 57%*	55% 45%	61% 39%
RIA vs. Financial Advisor	43% 57%	49% 51%	59%* 41%

*Indicates significantly higher percentages than other age groups.

In some cases, these numbers suggest advisors need to work harder to educate investors. While “advocate” is a powerful word, “fiduciary” has a specific legal definition that investors simply must learn if they want to protect their interests. And while older investors seem to understand the difference between an RIA and everyone who calls themselves “financial advisors,” RIAs need to drive home their unique duties and advantages with other groups.

Tailor your language to the way different audiences use each channel. Use the language of younger generations on social media, while speaking in a more traditional tone to older generations on their preferred platform—your website.

Do This Now

- Examine your word choices.
- Read through your value statements again.
- Highlight all the preferred word choices in green and the less-preferred choices in yellow.
- Revise until the green highlights significantly outnumber those in yellow.

Part IV: Communicating Your Value Through Social Media

Once you have created a strong value proposition, how do you let clients and prospects know what it is?

The way you communicate your value proposition has changed dramatically. Years ago, you told them in person. Now, the advisory profession is becoming digitally enabled, moving away from a purely press-the-flesh model toward a more efficient model that incorporates technology as a relationship-building tool. According to a recent Pershing survey of advisors conducted with Aite Group, 72% of advisors use tablets when meeting with clients, 69% work remotely with clients at least some of the time, and 61% offer real-time online access to portfolio information.⁷ Digital engagement clearly pays off: over 70% of digitally enabled practices increased revenue by 5% or more since they became digitally enabled. Other research indicates that nearly 9 out of 10 advisors (86%) report that social media activity has helped them gain clients.⁸

Over 90% of advisors spend less than 5% of their day on Twitter, LinkedIn or email marketing programs.⁹

The question is, shouldn't advisors be promoting their value proposition through their most efficient media channels?

How investors find information about advisors.

Site	Percentage of investors who use it to search for information	Percentage of searchers who rate it the most important
Google	41%	26%
LinkedIn	27%	12%
SEC Advisor Search	19%	11%
Facebook	20%	9%
BrokerCheck	18%	7%
FINRA	13%	7%
NAPFA	18%	7%
Yahoo	19%	6%
Twitter	17%	4%
CFP Board	12%	4%
Brightscope	8%	2%

- Google is the top pick for investors searching for advisor information. It's also seen as the most important.
- Nearly 3 in 5 investors (37%) still don't research advisors online—but a little digging reveals who those technophobic investors are.

Younger generations overwhelmingly research advisors online.

Site	Under 40	Ages 40-64	Ages 65+
Google	73%	36%	18%
LinkedIn	52%	25%	8%
SEC Advisor Search	30%	19%	8%
Facebook	46%	15%	2%
BrokerCheck	34%	15%	7%
FINRA	17%	15%	8%
NAPFA	28%	21%	5%
Yahoo	39%	14%	7%
CFP Board	22%	12%	4%
Brightscope	15%	7%	3%
Twitter	45%	10%	0%
None	4%	38%	66%

Shading Indicates significantly higher percentages than other age groups.

The younger the prospective client, the more likely they are to look for information online. Almost everybody under 40 researches advisors online, while only about a third of investors 65 and older do; few of the oldest group venture beyond Google. Google and LinkedIn are the most important sites for every demographic. The bottom line: Unless you are trying to exclusively acquire retirees, it's vital to give your value proposition an online presence.

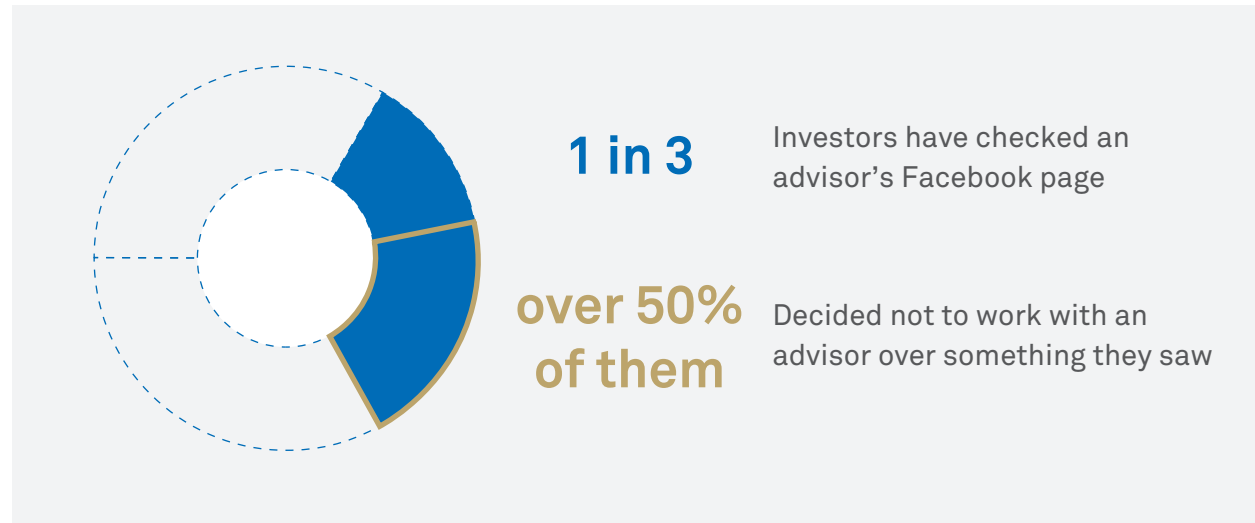
What investors expect to find at Facebook and LinkedIn.

	Facebook	LinkedIn
Location	41%	47%
Personal information	38%	40%
Certifications, awards, recognitions, etc.	33%	49%
Areas of specialty	30%	52%
Work experience (years in business, company, education)	30%	53%
Influencers (who advisors follow, cite, etc.)	30%	33%
Customer service approach or philosophy	28%	39%
Customer base (e.g. type of people they work with)	26%	38%
Investing approach or philosophy	26%	45%
General market commentary, financial advice, etc.	25%	36%
Compensation method (e.g. fees vs. commissions)	24%	39%
Minimum account size	20%	36%

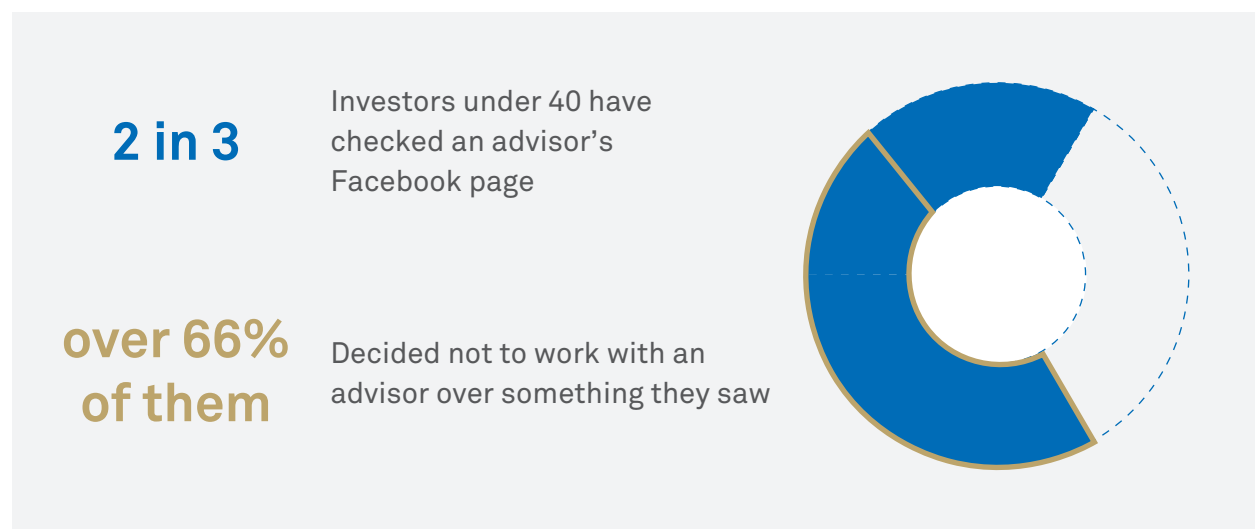
What should you put on your Facebook and LinkedIn profiles? Clearly investors expect to find more detailed work information at LinkedIn—from investment philosophy to specialization to experience—so be sure to include it. But what you post on Facebook can also make a big impact, especially from a more people- or relationship-focused viewpoint.

Potential clients are looking at your personal Facebook page—and they may not like it.

Do you use your personal Facebook page to share political opinions? Party photos? Your passion for unpopular sports teams? Your clients are watching, and they may not approve of what they see.



The situation is even more dire among younger investors.



Make sure everything you post on Facebook reflects your value proposition—or don't post it.

Do This Now

Review all of your social media accounts—business and personal. Ask yourself:

- What do I see first when I search for my own name?
- Do I find myself easily when I search for relevant search terms, such as wealth manager, my city name, or my specialty?
- Does each online account reflect my unique value proposition?
- Have I posted anything that contradicts my value proposition?
- What other ways can I underscore my unique points of distinction using social media?

Get extra resources. Download Pershing's Digital Marketing Advisor Guide in the Advisor Program section of NetX360's Marketing Center, with worksheets, checklists and tips to help you maximize your social media presence.

Looking for more help to create a compelling value proposition?

Please consult with a Pershing Business Development Officer, Relationship Manager or Practice Management Consultant to learn more. Additional resources can also be found in the Advisor Program section of NetX360's Marketing Center.

¹ *Why Advisors Have Never Been So Valuable: 2017 Value of an Advisor Study*, Russell Investments, 2017.

² "The Values Proposition," *CFA Institute Magazine*, September/October 2015, Volume 26 Issue 5.

³ Tradeoff choices were measured through maximum-difference scaling, often referred to as "max-diff." Max-diff is used to scale sets of items, such as brand preferences, brand images, product features, advertising claims, among others, on a subjective dimension such as importance or appeal. The max-diff method has two components. The first is a special type of paired comparison question format, and the second is a statistical technique for deriving the underlying scale. Max-diff eliminates respondents' tendency to rate many items as "extremely important," and can also reveal latent or underlying decision drivers that may not be obvious from simple ratings of importance.

⁴ *What Do Top Advisors Say and What Do Investors Really Think? A Study of Advisor Value Propositions*, Pershing, 2014.

⁵ Research Method. Value propositions were collected from Barron's Top 100 advisor websites and through Pershing's own experience and sources. Then, a total of N=1,031 interviews were conducted online between February 8 and March 4, 2018. High net worth investors were defined as having more than \$1 million in investable assets, excluding real estate and retirement accounts. Qualified respondents have primary or shared responsibility for household financial decisions, and either use a financial advisor, planner, or broker, or are at least somewhat willing to do so.

⁶ *What Do Top Advisors Say and What Do Investors Really Think?* Ibid.

⁷ *The Emerging Digital Advisor*. Pershing, in cooperation with Aite Group, 2015.

⁸ *The Social Advisor 5.0: Ahead of the curve*, Putnam Investments 2017.

⁹ *The Emerging Digital Advisor*, Ibid.

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