LinkedIn, Facebook, Twitter … Which Do I Use?

By Kristen Luke

LinkedIn, Facebook, Twitter. For the average Luddite, there is no clear distinction among these sites. But the more-sophisticated social media user understands that each site serves a unique audience and requires a distinct strategy.

The question that most advisors who are new to social media ask is, "Which site should I use?" The answer is simple: "It depends." Each site provides a different opportunity. Facebook is a great place to find consumers of all demographics because it attracts everyone from debt-laden college students to high-net-worth retirees. LinkedIn is the place to reach professionals because it attracts everyone from self-employed consultants to executives of Fortune 500 companies. Twitter is an excellent site for finding new people to meet and network with and can double as a learning tool.

So which site should you use? It depends.

Facebook

With 850 million users, Facebook is the world's most popular social networking site. The site's stated purpose is to allow users to "stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them" (http://newsroom.fb.com/content/default.aspx?NewsAreaId=22). This translates into sharing thoughts, photos, events, and links, connecting with others, and even playing games.

At first glance, Facebook may look like a waste of time for financial advisors. But when nearly one in every eight people on the planet is participating on a site, there are bound to be opportunities. You just need to know how to use it to your advantage.

Strategy #1: Connect with People Using a Personal Profile

The most basic way to use Facebook is to utilize the personal profile. This is as simple as creating an account, adding some photos, and then sharing tidbits about your life with your friends, neighbors, and even long-lost high school classmates. This strategy capitalizes on the fundamental need for humans to connect and establish relationships with other people. If you decide to use this strategy for Facebook, you may decide to connect with clients, prospects, and centers of influence. Or you may decide to connect with your friends, alumni, or people who share similar interests, activities, and hobbies with the goal of converting some of them into clients. Whomever you decide to connect with, remember that any relationship—whether it is online or offline—is a two-way street. Not only should you share your own thoughts and experiences, you also should comment on what your Facebook friends are posting. Even if you never mention your business, the act of connecting and staying in touch with other people on a personal level can yield benefits to your business.

Strategy #2: Create a Business Page

A business page allows you to participate on Facebook on behalf of your business instead of using your personal profile. With the new "timeline" format that Facebook introduced this year, the business page and the personal profile look nearly identical. The difference is that an individual can "like" your business page without the business being able to see the individual’s personal posts, whereas when two individuals become "friends" on Facebook, they are able to see each other’s posts and comments.

A business page provides an image-rich, interactive forum to post articles, videos, podcasts, photos, events, and links that educate or promote your business. If you don’t regularly create original educational content, you may want to share articles you find on other sites such as the Wall Street Journal that would be of interest to your audience. You also may want to share photos that depict a well-rounded portrayal of your company such as photos of community involvement, volunteerism, award ceremonies, or events.

Strategy #3: Create a Special Topic Page

An alternative to creating a business page is to create a page around a topic, book, workshop series, radio show, or TV show. With a little creativity you can create pages that will attract prospects by ways other than just using your business name. If you target different market segments, you may want to create pages specific to those niches. For example, if you work with Procter & Gamble employees, you could create a P&G Retirement page. Or create a page for a book that you have written or for a radio/TV show that you host. Creating a page for a purpose other than your business opens up more opportunities to connect.

Strategy #4: Utilize Facebook Ads

Facebook advertisements provide advisors with a unique opportunity to reach a target market. Through ads,
your profile should be complete and accurately communicate what you do as a professional. Your interactions with your connections, group members, and other users of the site should remain professional and avoid being overly focused on sales.

Once you have established a profile, you can use several strategies to benefit from the site.

Strategy #1: Research People
LinkedIn is a valuable tool to research professionals. This can be particularly useful for business or client meetings. By reviewing LinkedIn profiles before a meeting, you can learn about previous positions, education, honors and awards, volunteerism, memberships, and hobbies. This information can help you prepare for the meeting and provide clues on how to guide the conversation.

LinkedIn also lets you research your network’s contacts. By perusing the connections of your clients and centers of influence, you can identify lucrative referral opportunities and use this information to request introductions.

Strategy #2: Status Updates
Status updates are useful for communicating on a one-to-many basis. You can share news about your business, link to articles you have written, or link to media mentions. It is a way to stay top of mind with your network in one brief message. At the same time, regularly reviewing the status updates of your network on your home page news feed allows you to stay up to date on what is going on in the lives and careers of your connections. This information can provide insight into money-in-motion opportunities such as career changes, new business startups, or even retirement.

Strategy #3: Research Companies
Since the development of the LinkedIn Business Profile, advisors now can use the site to research companies and the employees who work there. A business profile will show basic statistics about the company’s employees that may include job function, years of experience, education information, the location of the company’s headquarters and offices, and a list of present and former employees.

For advisors specializing in working with employees within a specific company or industry, following company profiles can be a valuable research tool. When you follow a company, you are notified of new hires and departures as they are updated on LinkedIn, helping you to identify money in motion. If you specialize within certain industries and companies, this strategy can provide you with a list and an opportunity to reach out to perspective clients.

Strategy #4: Join Groups
The best way to find, meet, and interact with professionals is by joining and participating in groups. Search for groups that include people who fit your centers of influence or target market criteria. Consider alumni, company-specific, community, or professional groups. You will find groups for established organizations, such as Chambers of Commerce, as well as virtual groups created especially for LinkedIn.

Once you have joined a group, you will want to become an active member in order to become visible within the group. This means adding discussion questions and article links or responding to existing discussion topics. Just be sure that the discussions you participate in are relevant to the group and not just a sales pitch; many groups regulate activity and kick out spammers. Being an active participant in a group is similar to being an active member in a traditional networking group—the more active you are, the more likely you are to benefit from the group.

Twitter
Twitter is a lightning-fast barrage of information created by its 465 million
user accounts (http://www.media bistro.com/alltwitter/twitter-statistics-2012_b18914). The site’s purpose is to connect people to the latest stories, ideas, opinions, and news in real time through short 140-character messages. Twitter accounts can be created on behalf of individuals, companies, publications, associations, and even concepts or topics.

For financial advisors, Twitter provides an opportunity to meet and network with new individuals. Sites such as Facebook and LinkedIn require two users to acknowledge a relationship before communication can begin, but a Twitter relationship starts with a click of the “follow” button by one person. For that reason, Twitter provides an excellent opportunity to expand your network. At the same time, Twitter can be helpful as an educational tool.

Strategy #1: Connect with Strangers
Unlike Facebook and LinkedIn, which focus on developing networks around existing relationships, Twitter is centered on connecting with people you probably don’t personally know. This can include celebrities, reporters, companies, and publications. It also can include people in your geographic region, individuals with similar interests, or people who fit your target market. By using Twitter’s search feature, you can find and follow a variety of people. Once you begin connecting with other users, the strategy is to tweet compelling content that will be of interest to your followers. You also will want to interact with other people by re-tweeting (or forwarding) their tweets to your followers and replying to their tweets through either “mentions” or “direct messages.” If you actively participate on Twitter on a regular basis, you will begin to develop relationships online that you then can take offline.

Strategy #2: Listen and Learn
For those who do not wish to actively participate, there is great value in “listening” on Twitter. Professional associations, reporters, publications, media outlets, and thought leaders will tweet information that may be valuable to you for your own knowledge or professional development. In addition, many conferences provide an identifiable code called a hash tag (e.g., #IMCA12) to help you easily search for and follow tweets about the conference. These tweets are created by attendees and feature select quotes, key themes, and even links to presentation materials. Following conference tweets is like having a live report directly from the conference. Even if you aren’t interested in joining Twitter, you still can listen to what other people are saying by using the twitter.com/search to find people and topics.

Strategy #3: Connect with the Media
Twitter is an excellent way to connect with members of the media. Reporters from all varieties of publications are on Twitter. Follow reporters who reach your target market and observe their tweets. Respond to tweets where you can add value or a different perspective. This may help you get on a reporter’s radar as a future expert source. If you have been quoted by a reporter, use Twitter to deepen the relationship. Tweet the article and mention the reporter’s Twitter handle in the tweet, which notifies the reporter that you are promoting the article. Twitter can be an excellent supplement to your public relations strategy.

Twitter should be addressed in the same way that you would address a networking event. To get the most out of the site, you want to participate on a regular basis. You also want to contribute, not just direct a one-way conversation.

Conclusion
Social media sites such as Facebook, LinkedIn, and Twitter are valuable research and networking tools for advisors. They allow advisors to deepen relationships, research prospective clients, and learn from peers and industry experts.

Which site to use depends on a variety of factors. First, what is your purpose? Do you want to connect with existing contacts, meet new people, or use social networking as a learning tool? Second, who are you trying to connect with? Are you looking for professionals or consumers? Finally, how do you want to interact? Do you want to share personal information about your life, keep it strictly professional, or just sit back and listen? How you answer these questions will help you decide which site or sites you should use. There is no one-size-fits-all when it comes to social media, so spend time on the one that fits your needs.

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Note: Please consult your company’s compliance department, attorney, and social media policy prior to implementing any of these strategies. The author does not certify that these strategies are compliant under any state, Securities and Exchange Commission, or Financial Industry Regulatory Authority guideline.