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Digital Financial Advisors

How Independent Advisors Research Online & Make Decisions
Google/Financial Planning Association
U.S., May 2009

Methodology

Audience: 518 professional financial advisers who are in an independent business model, manage assets and use/recommend investment products. Most of the respondents are members of the Financial Planning Association®.

Method: Online Survey

Research Provider: This research was conducted and analyzed by the FPA Research Center.

Field Dates: March 30 – April 23, 2009

Survey Duration: 19 minutes

Statistical Validity: These results are statistically representative of independent advisers who manage assets and use/recommend investment products with a $\pm 4.3\%$ margin of error.

Focus: To determine financial adviser engagement with online and offline media in conducting investment research; discover how advisers are prompted to move through the decision process from awareness to recommendation/use of the investment product; and learn more about the materials and method(s) advisers use when communicating recommendations to clients.

Brief Respondent Profile

Experienced: Average of 14 years of experience in their current role.

Active: Recommend/use a wide variety of products.

Authority over Assets: Average assets under management (AUM) is \$64M.*

Independent: Majority of respondents are in the RIA channel (52%) followed by dually-registered advisers (26%) and independent broker-dealer advisers (18%).

Experts in their Position: The majority of respondents identify themselves as a financial planner (48%), financial adviser (20%) or wealth manager (18%).

*Mean calculated on grouped data. Note: Given the recent market downturn, many advisers have lost around 40% of AUM purely due to market loss. Once the market recovers, the average respondent may hold closer to \$106M (assuming regain of a 40% loss).



Key Findings

1 Financial advisors use the web as a key source to conducting investment research

2 Search and Financial Content websites are rated highly and used often by financial advisors

3 Appropriately messaged advertising on Search and Financial Content websites strongly prompts action

The Internet is Crucial for Reaching Financial Advisors

94%

Of Financial Advisors used at least 1 internet source for researching investments

And **65%**
Used Search...

1/3 using Search for making a final investment decision

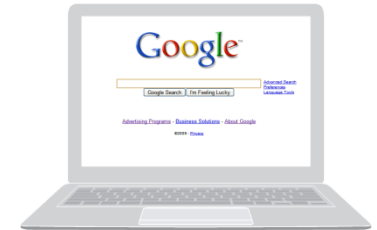


Financial Advisors Internet Usage

Search and Financial Websites are used *quite similarly* for investment research!



Financial News Websites



Search Engines



Find it to be helpful to **introducing, learning, and deciding** about brand recommendations

Provided Information that helped me decide which investment to purchase

Making a **final product decision** such as buying or recommending

89% ↔ **90%**

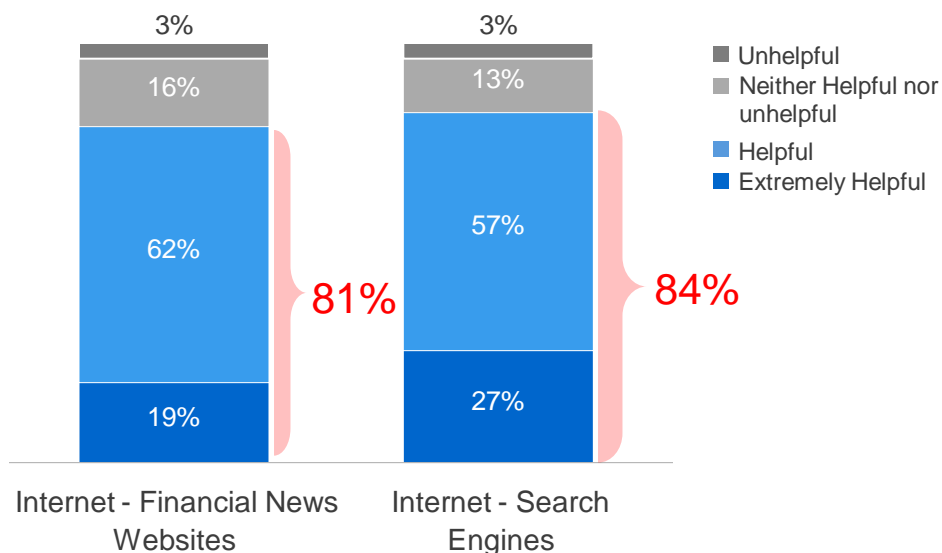
39% ↔ **36%**

18% ↔ **18%**

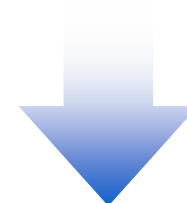
Base (financial news websites): 394
Base (search engines): 335

How Financial Advisors Rate their Source

Search & Financial News Websites are rated only behind Corporate websites in helpfulness when researching investments*



Of those financial advisors who use **search**, **84%** find it helpful



...And **1 in 4** find it ***Extremely Helpful*** when researching investments

Base (financial news websites): 394

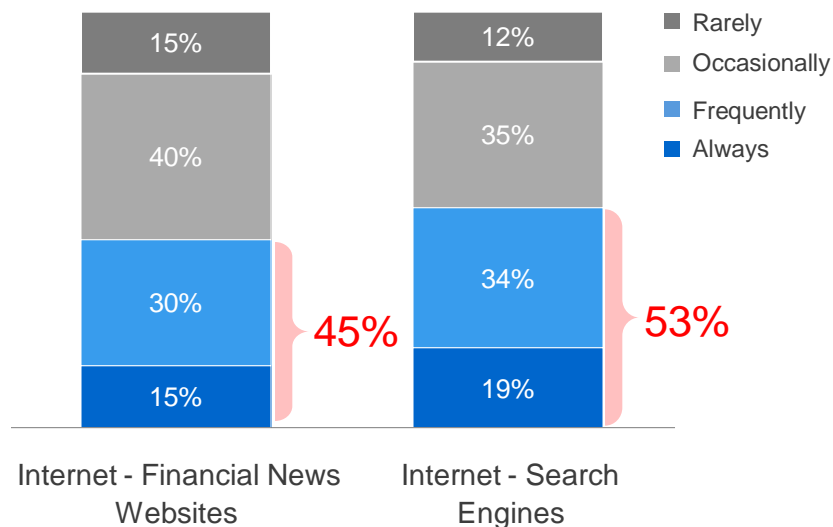
Base (search engines): 335

* For Internet Sources

How Financial Advisors Frequent their Source

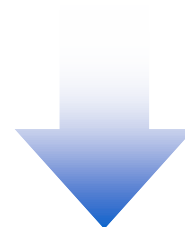
Search and Financial News Websites are the *most* frequently used media channels

Usage levels when investigating investment options



Base (financial news websites): 394
Base (search engines): 335

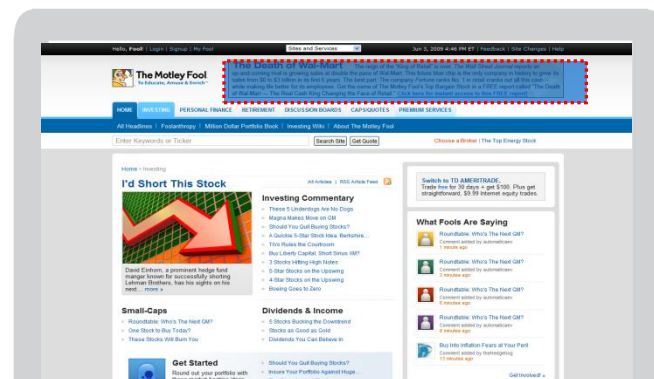
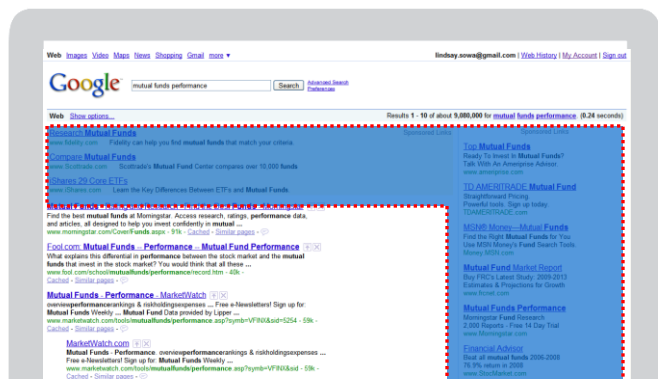
Of those financial advisors who use search, **53%** frequently or always use it



...And **1 in 5** Always use it when researching investments

Advertising Prompts a Variety of Actions

82% of advisers are prompted by ads to do *additional research* but why Search and Display?



Research Patterns have changed*

- **75%** of Financial Planners say they conduct more research
- **61%** say they use a wider variety of sources

A Better Audience

Those with Assets Under Management greater than \$100M are MORE likely to use financial news sites and search engines as information sources

Synergies of Search & Display

Display lifts Search Activity in Personal Finance by an average of **206%**

Source: comScore Brand Metrix, Norms Database, November 2008

Ensure Financial Advisors Respond to You



Greet them with the right message

Rank from 1 to 5 (1=most important) the most important elements when being introduced to a new product

Presented in an Attention Getting Manner 4.62

The Brand or Product Image 3.61

The believability of the messaging /product claims 3.06

1.86

Technical Information about the Product

1.82

Application/Strategy of the Product



Build a relationship with the right conversation

Most Advisors also look for:

Investment Philosophy & Process 87%

Company Image & Reputation 65%

Research & Whitepapers 63%

Value Add & Service 36%

0% 20% 40% 60% 80% 100%

Recommendations

Media Strategy



Be present on search and across sites financial news websites, where financial advisors:

- Rate information highly
- View regularly
- Are prompted to action

Message Strategy



Deliver messages that are most likely to prompt action with search & display advertising:

- Technical Product Information
- Product Strategy and Application Process

Website Strategy



Build trust & credibility with financial advisors by providing additional they seek:

- Investment Philosophy & Process
- Company Image & Reputation
- Research & Whitepapers
- Value and Service

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