

Unforeseen Pitfalls of Social Media Success

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Two common pitfalls are quickly cited by financial advisors when it comes to social media. The first and most obvious is compliance. Many advisors are concerned about violating FINRA's and the SEC's rules regarding advertising and marketing. The second is that social media can become a time suck. Most advisors have limited free time and are fearful that participating in social media will eat up their valuable time and produce no results.

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A third pitfall is rarely anticipated and only occurs for those who are the most successful using social media. This pitfall is that social media can create more relationships and opportunities than one person can reasonably handle.

According to "Dunbar's Number," the average human being can only maintain 150 stable social relationships. If you are an average user of Facebook and Twitter, you have 130 Facebook friends and 126 Twitter followers. If you are a savvy networker on LinkedIn you have 61 connections. Assuming you have no cross-over relationships (which is unlikely), you would have to maintain 317 relationships on your social networking sites alone. This is more than twice the number of relationships that you can maintain according to "Dunbar's Number." If this is just the average, you can imagine how many relationships someone who has successfully utilized social media has to maintain.

There is a compelling marketing reason to connect with hundreds or thousands of people on social networking sites. The more people you are connected with, the more people hear your message and hopefully engage your services. However, this strategy comes with a price.

That price is having too many relationships to maintain and too many opportunities to pursue.

I am beginning to see some advisors, whom I would classify as successful social networkers, become overwhelmed by the success of their efforts. If you are engaging in social media or just contemplating on using the medium, here are three

things to be aware of so that you can avoid similar pitfalls.