**Efficient Marketing for Financial Advisors**

By David L. Lawrence

In the wake of financial and economic challenges, many financial advisors have found it necessary to refocus on attracting new clients in an effort to re-establish profit levels previously enjoyed. But, to create a sustained growth, more needs to be considered than just marketing. Several steps should be considered in this process.

Perhaps one of the most fundamental of these steps is to develop a profile of who it is you are trying to attract. What is the niche market that fits your practice and/or the unique services you offer? For this, creating a differentiation strategy makes sense.

Creating a differentiation strategy requires some pre-planning and introspection. Often, financial advisory practices have a concept of who their typical client is. However, often when the practice is analyzed, it may be revealed that the bulk of the clients in that particular practice does not actually match the characteristics of that perceived ‘typical client.’ Thus, using some analytical exercise to identify the core demographics of a practice is a practical first step.

Another consideration might be to study the service and product offerings most favored by the firm to identify the correlation between those items and the typical client. As an example, recently I met with a financial advisory firm that was looking to create a market plan and they had determined that their core client group was seniors and those approaching retirement. Yet, when I interviewed the principal in the firm, I discovered that he had a special needs child and was very tuned in to the financial needs of such families. Because of a number of support groups that he was involved with, his client base actually had several such families. Yet, he did not recognize that this might be his differentiation from other financial advisory firms. Once this was revealed and discussed, it became obvious that he should pursue this unique angle in his marketing strategy.

With this in mind, creating a differentiation strategy might involve using the techniques inherent in the Blue Ocean Strategy. Simply put, Blue Ocean is the creating of differentiation through the combination of

1) Value Innovation,

2.) Fair Process and,

3.) Tipping Point Leadership.

Of the three above points, clearly Value Innovation is the most difficult to achieve. But, through a series of introspective exercises, it can be done. In the book, Blue Ocean Strategy, W. Chan Kim and Rene Maubourne, one of several examples given was Dyson Vacuums. Dyson created a vacuum that turns on dime, never loses suction and, as a result, charged twice as much as the competition and got it. The vacuum industry was sent scrambling to catch up and Dyson ended up rendering their competition irrelevant. That is an example of value innovation. Dyson followed this success with the development of a bladeless fan, with no buffeting air. Using an induction technology, that fan forces air through a round inductor. You can stick your hand in the middle of the fan with no injury. This is another example of value innovation.

Translating this to the financial services profession is not easy, but it is achievable. Creating the value innovation for a financial practice and then creating a branding message that reflects this, used in a variety of media, especially a website can have a transformative effect on the attractiveness of a firm to its prospects.

The reason to go to this extent is to combat the overwhelming degree of sameness that permeates the financial profession. Trying to present yourself as all things to all people generally forces you into the red ocean (red from all the blood of sharks biting each other). The only clear path to the blue ocean is through differentiating your firm from all the others.

Another consideration is to carefully weigh the various venues for marketing, be it the internet, local advertising, etc. Many advisors have found it useful to provide a coordinated approach, with common messaging among a variety of venues. As an example, the theme and words used in a website could also form the backdrop for other forms of marketing. If your firm has a Facebook page, there are effective ways to make the Facebook presence look and feel similar to your website, etc.

Long considered one of the most effective low cost alternatives for marketing is referral prospecting. Existing clients are often the best source for new clients and the cost of such referrals is generally next to nothing. However, there are coordinated ways to approach referral prospecting. Beyond simply asking for them when you meet with clients, some advisors have created referral prospecting campaigns. This might take the form of a bulk mailing of letters to clients (or emails) in which you ask them to refer their friends, associates, etc. to you and your firm. This could be accompanied with a form letter that they could use to send to their friends/acquaintances. The point is to have some methods in place to track the results and effectiveness as well as gauge the interest of your clients in this endeavor.

There are now outsourcing services available to assist advisors with referral marketing. One such service is **FiPath** ([**www.fipath.com**](http://www.fipath.com)**).** FiPath offers the Refer My Advisor program. The program, designed by advisors for advisors, was developed as an effective system to get referrals from clients without ever asking face to face. The program eliminates the need for end of appointment asking for referrals, eliminates the need for cold calling to random leads and provides just referrals to prospects that are not only expecting, but wanting your call. It is a proven solution for advisors wanting and needing new prospects without the worry and work associated with obtaining them.

Another choice in this category is **Boulevard R**’s advisor marketing program, called **AMP**. **(**[**http://ampformarketing.com/**](http://ampformarketing.com/)). Amp helps turn more prospects into clients by:

* Creating a sense of urgency and moving more prospects to a second meeting
* Presenting your solution in a timed way so that you close more prospects

One final thought with respect to marketing involves touches. Many advisors have abandoned certain marketing programs after one or two tries, if the results are not immediately apparent. This is a mistake. Studies have shown that, on average, 21 touch points with a prospect produce the most consistent results. In advertising, the consistent approach, such as placing an ad in a weekly business newspaper, over a period of a year, will provide a cumulative effect. Over time, the results aggregate to a much higher prospect count than if you only submitting the ad from time to time. It does not have to be an expensive, large or even colorful ad, just consistently there, according to the research.

And, while newspaper advertising may be less popular these days, replacements such as internet, websites, referral systems and social media loom as viable and efficient replacements.

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