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ADVISOR SERVICES

ADVISOR INSIGHTS

Elite Marketing Tactics

How Elite RIAs market their businesses successfully

Financial advisors wanting to thrive in today's dynamic marketplace need to take a proactive approach to growing their businesses. This requires not just keeping current clients happy, but also attracting new clients. While many advisors understand the importance of marketing, it too often takes a back seat to other concerns. According to industry commentator Michael Kitces, most advisors spend less than 2% of their annual revenues on marketing—less than half of what industry experts recommend. Most of this spending also goes to appreciation events for existing clients, rather than for outreach to new ones.[1]

The good news is that powering up your marketing efforts may be simpler and more cost effective than you imagine. Today's advisors now have more avenues than ever to communicate their message, while they drive improved client satisfaction and engagement.

Effective marketing starts with a strategic approach

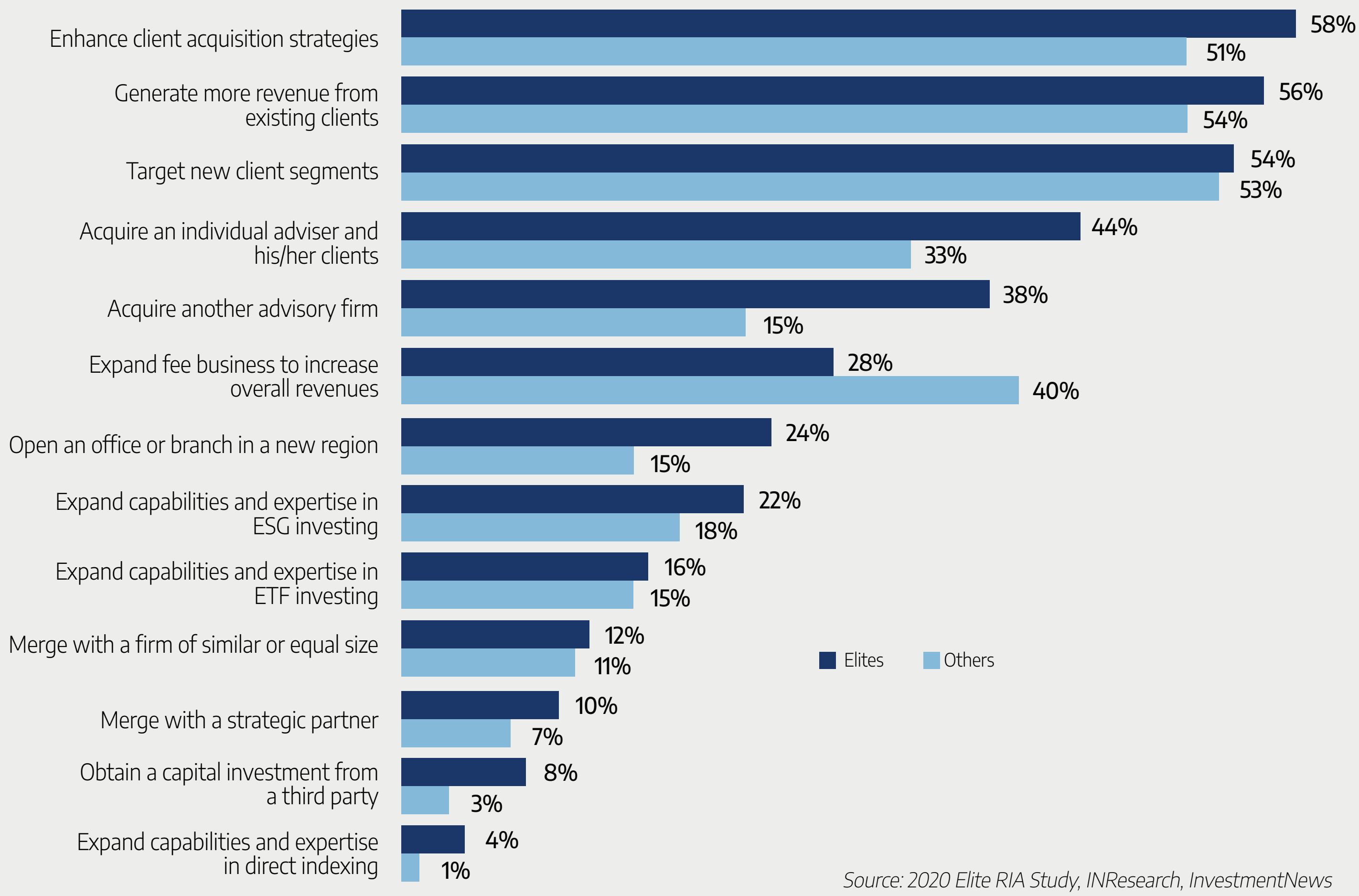
To optimize your marketing spending, it's worth taking some time to outline short- and long-term goals as well as strategies to pursue them. In considering how to allocate your marketing resources, some advisors recommend the 70/20/10 rule. In other words, you spend 70% of your marketing budget on strategies, such as client events, that have proven effective in the past. Another 20% might go to long-term marketing initiatives, such as reaching a new target audience or investing in digital content. Ten percent might go to something wholly new, such as web-based advertising.

No matter what strategies you consider, have a clear idea of what you want to achieve and how you'll measure success. Establish specific, relevant, and time-bound metrics for gauging the effectiveness of your efforts. For example, you might target growing your client base by 10% over the next year, or you might target 10 additional leads per month. Review progress regularly and be willing to change course if your efforts aren't delivering the hoped-for results.

Focus on a market niche

Focusing on a specific niche can also make your marketing efforts more effective. This enables you to develop deep expertise that sets you apart from competitors. It can also help improve the effectiveness of your prospecting, since you

What is your firm considering as a growth strategy in the next one to two years?



Source: 2020 Elite RIA Study, INResearch, InvestmentNews

can tell people exactly what kinds of clients you're looking for and how you can help them. According to a study by CEG Worldwide, more than 75% of advisors who specialized on a market niche believed it had a positive impact on their business.[2]

In selecting a niche, you might reflect on your personal qualifications and interests as well as common threads among existing clients or your network of personal contacts. You might focus on clients in a particular profession or age group. You might also consider other categories:

- Individuals with similar attitudes toward investing and risk.
- People with similar hobbies, such as travel or boating. These individuals may share similar attitudes and needs, as well as informal social networks you can tap into through targeted client events and advertising.
- Specific client situations or needs. For example, some advisors focus on clients going through transitions, such as a career change or divorce.

Learn as much as you can about investors in your chosen niche. Taking time to gain a deep understanding of your target clients can help you better serve and communicate with them. You might start by talking to current clients who fit into this group, or you might attend networking events where your focus is getting to know people rather than winning new business.

- What are their goals and aspirations?
- What keeps them up at night?
- What are their pain points? What specific challenges are they facing?
- How do they measure success?
- How to they spend their time or discretionary income?
- How do they access information? For example, what media

Lessons from the Pandemic:

How advisor experiences during COVID-19 can improve your marketing efforts

The COVID-19 pandemic forced advisors to rethink many aspects of their business, including how to build connections when in-person events were impossible. Many top-producing advisors rose to the challenge with enhanced technology, digital communications, and virtual client meetings. Now that the availability of COVID-19 vaccines has given us hope for a return to normal, it's a good time to take stock of lessons learned during the pandemic and how they might be carried forward into a post-pandemic world.

Make communications a priority. More than 80% of elite advisors in the InvestmentNews Elite RIA study made consistent client communications a top business priority during the pandemic.[3] These efforts included an increased reliance on digital strategies such as email and social media. Advisors can carry this commitment to multichannel communications forward, using their enhanced virtual presence to promote, follow up, and complement in-person networking and events.

Continue to offer clients the option of virtual solutions. Recognize that different clients may have different comfort levels and timelines when it comes to returning to normal activities. Some may continue to appreciate the convenience of virtual meetings and eSignature options even after their concerns about the pandemic have eased.

Be alert to new client challenges or concerns. Check in with clients to see how they're doing and how the pandemic has affected their situations. Some may have heightened concerns about market volatility or estate planning. Others may have seen job changes, or setbacks in their children's education plans. You can help clients by providing a listening ear and a sounding board for new strategies to help position them for the future.

Look beyond your local market. Digital alternatives such as virtual meetings have enabled advisors to work with clients in different cities, potentially broadening their market footprint. Advisors can carry this flexibility forward. Let clients know your capabilities for working with friends or family members in other locations. This adaptability may be especially important, as some clients may have relocated away from dense urban markets during the pandemic.

Take time to test new technology before investing in additional capabilities. Investing in new technology was an important strategy for many advisors during the pandemic. As advisors wait for things to get back to normal, it's a good time to work for full integration of these solutions before considering additional technology investments.

do they consume? Do they listen to podcasts or read blogs? What social media platforms might they use?

- Who do they trust? In today's world, many people are more likely to trust something they hear from a friend or colleague than something they hear in the media.

Communicate your unique value

Capitalizing on a target audience depends on communicating to people why you're uniquely qualified to address their specific situation. This depends on a clearly defined value proposition that tells clients who you are and why you're different. In a 2020 survey by InvestmentNews, 83% of top-performing registered investment advisors (RIAs) reported that a clearly defined value proposition was key to their marketing success.[3]

An effective value position combines a rational argument linking your expertise to investor outcomes with an emotional component that taps into your commitment to your clients. For example:

> **"I collaborate with successful professionals to ensure an active, carefree retirement through a combination of traditional and alternative investment strategies."**

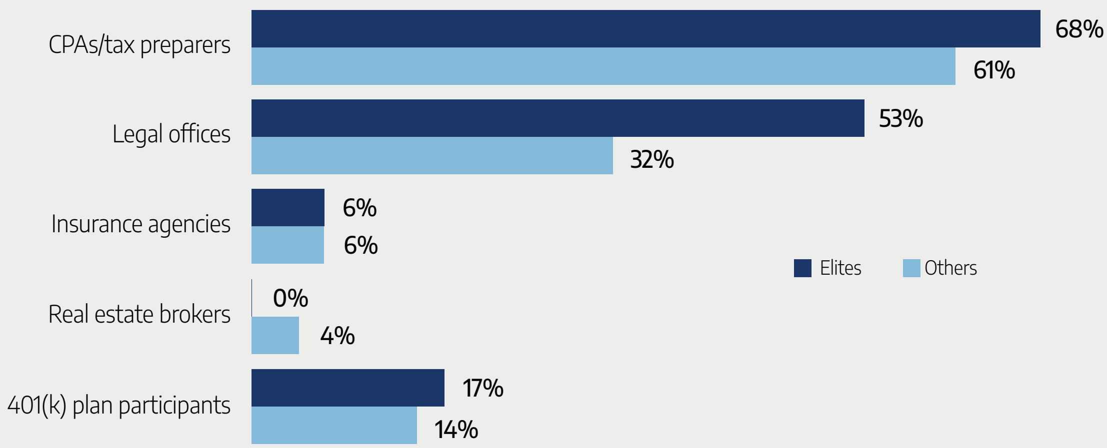
> **"I'm committed to helping young entrepreneurs stay on a sound financial footing while balancing their professional and personal financial commitments."**

Crafting your unique value proposition

In thinking about your value proposition, you might start with the following exploration:

- What unique qualifications or attributes do you offer, whether professional or personal?
- Are there unique products or services you provide? Do your professional connections set you apart?
- What client emotional needs do your services support—

What are the most effective centers of influence in driving referrals to your firm?



Source: 2020 Elite RIA Study, INResearch, InvestmentNews

peace of mind, confidence, discipline, or ambition?

- When have your clients expressed the most satisfaction?
- Why did you become an advisor? What parts of the job do you most enjoy?

You might also look to your own personal experiences as a way to connect emotionally with investors. For example, many advisors know what it's like to start their own business. You may also have experience dealing with aging parents or funding a child's college education.

Once you craft your value proposition, look for every opportunity to reinforce it across marketing channels, from your website to client conversations to social media. Also be prepared to support your value propositions with stories of how you've helped clients in the past.

Client referrals remain the best driver of future business

Even in an increasingly virtual world, existing clients are still your best source of business. Top advisors in the *InvestmentNews Research* study reported that 38% of their growth was driven by client referrals, an experience that outpaced that of other advisors.[4]

Significant, too, are the differences in who Elite RIAs view as their most effective centers of influence in driving referrals to their firm: More than other firms (68% vs. 61%), Elite advisors view CPAs and tax preparers as their most effective centers of influence, followed by attorneys and law offices, where the difference is even more dramatic—53% vs. 32%.

Elite RIAs' referral strategies are also more targeted and successful than those of other firms. When asked whether their firm screens referrals for suitability, 86% of Elite RIAs said they do, compared with 78% of other firms. And among Elite firms that screen referrals, 37% are successful in converting more than 85% of referrals to clients, as compared with just 27% of other firms that screen.

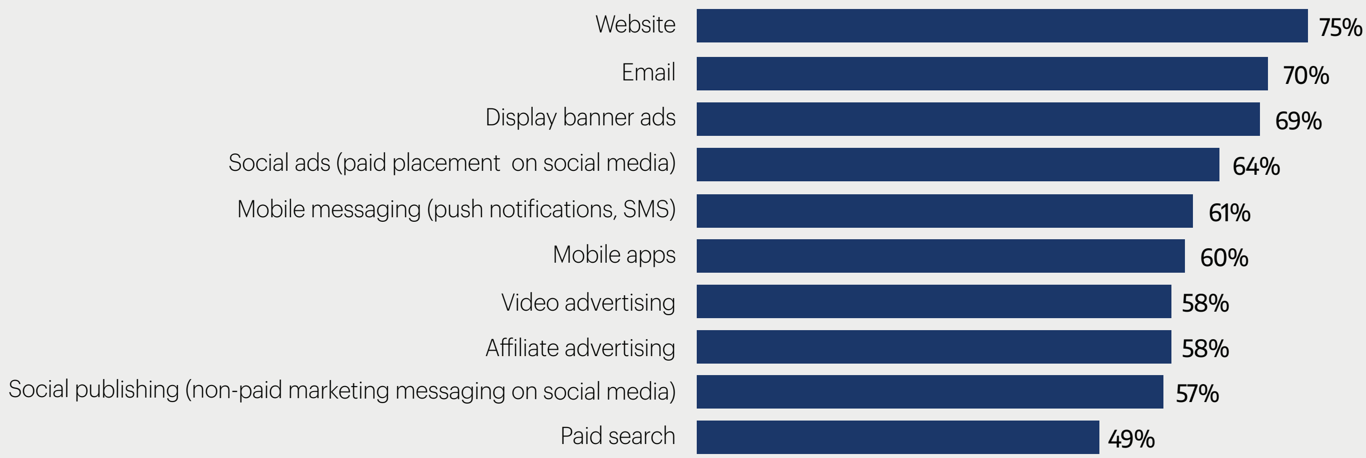
Asking for referrals is seldom a comfortable conversation. But it may be more effective if you can position the discussion as a favor you're doing for the client. It can also be helpful to tell clients exactly what kinds of people you'd like to talk to, and what benefits you can provide:

> **"I'm pleased we were able to come up with some common sense strategies for funding your grandson's education. I'm committed to making education accessible, and I admire family members who want to help. If you have any friends who are facing this particular dilemma, I'd be happy to give them a second opinion on their college funding plans. I may have some ideas they have not thought of and can help offer another perspective."**

This conversation has several advantages:

- It touches on value you've already provided to your client as well as your personal sense of commitment.

Percent of financial service marketers using a specific channel



Source: Trends in Financial Services Marketing, Salesforce Research

- It tells the client exactly who you are ideally hoping to talk to.
- You are positioning the conversation as a favor you are offering the client rather than a request for new business.
- By positioning this as the offer of a second opinion, you remove any uncertainty the client may have over whether their referral might already be working with another advisor.

Look to your professional network. Other professionals may also be a good source of referrals. While CPAs and attorneys are obvious sources of potential business, you might also consider other centers of influence who work with people at decision points in their lives. These might include real estate brokers, 401(k) plan administrations, senior care specialists, or wedding planners.

Don't be afraid to screen prospects. Your time is valuable, and not every lead is worth pursuing. In fact, 86% of top-performing advisors in the InvestmentNews survey screened referrals on factors such as minimum AUM or income or whether they fit into their ideal target niche. This targeted approach led to greater success in converting prospects to clients, with 59% of elite RIAs in the study closing at least 75% of their referrals.[5]

Omnichannel marketing builds credibility and engagement

Advisors have more avenues than ever to reach potential clients. A Salesforce Research study found that today's financial professionals on average use eight different digital channels for communicating their message.[6]
(See chart above.)

This kind of omnichannel presence is especially important in reaching younger investors. Salesforce Research reports that more than half of Millennials and more than 40% of Gen-Xers prefer mobile apps, online portals, and social media to other communication channels.[7] Yet omnichannel marketing is not just for reaching younger investors: The same study found that more than 70% of older investors may also use mobile apps, online chat, online portals, and web messaging.[8]

Deciding on the right marketing channels depends on your target audience and your marketing objectives. It's especially important to understand how your current and target clients gather information and make decisions. A few things to keep in mind:

- Whatever channels you use, make sure your messaging is consistent and cohesive so you're presenting a unified value proposition, both through in-person and digital marketing.
- Establish a process for supervising and archiving all digital content, as you would any promotional or client materials. Remember that social media posts are regulated as electronic communications, and that regulations and firm policies must be adhered to.

- Make sure your website and any other digital content work equally well when accessed over mobile devices, which account for about around 50% of all global website traffic.[9]
- Look for opportunities to build integration across channels. This might mean that a click on a web ad takes a potential client to your website, or a social media post directs people your blog. You might also look for ways to build real-time engagement through chat functions on your website, Q&A sessions on social media, or push notifications to mobile devices.

An effective website is your most important digital asset

One of your most important business assets may be an effective, well-maintained website that clearly communicates your value proposition. In an eMoney Consumer Marketing survey, 98% of investors said they viewed an advisor's website as somewhat to very important in their decision to work with them.10 This was especially true of younger investors, who may do most of their research on an advisor by checking out their website or social media history before they reach out by phone or email.

- At a baseline, make sure your website content clearly communicates your unique value proposition and confirm that all navigation links work as intended.
- Confirm your contact information is up to date and linked to Google maps to help investors locate your office.
- Consult with a graphic designer or web developer to refresh the look of your website, going for a pleasing visual style and color palate. Make sure the font is easily readable for older visitors.
- Make it easier for investors to find your website by investing in search engine optimization (SEO) strategies. These may be as simple as confirming location metrics or including specific keywords in your copy. You might hire a consultant to help with SEO strategies or consider investing in paid search advertising.

61% of high-net-worth investors under 45 have provided their email in exchange for free content.[11]

Free content can drive engagement

One way to build engagement through your website is by offering free content—such as articles, blog posts, video, or market updates—that visitors can access in exchange for their contact information. This strategy not only helps you build up your contact list, it also enables you to spread more content that may drive awareness of your brand and business.

- When thinking about content to share, the emphasis shouldn't be on selling specific products or services. Instead, focus on topics that address recent market events or the needs of your ideal client base. You might think of pain points your target audience might have or questions you've received from existing clients.
- Rotate content periodically, alternating between topics that may be of interest to different categories of investors.
- Make sure your content is clearly branded and uses professional templates. It should also include your contact information, website address, and social media handles to help promote your digital footprint.
- If writing is not your strong suit, you might instead provide something as simple as a checklist or worksheet. You might also consider links to podcasts or videos. A study by MediaBoom found that visitors will spend 88% more time on websites that include video.[12]

Email is an effective way to target messaging

Email marketing has been especially popular during the pandemic as a way to stay in touch with clients. It can also be effective in promoting your brand and building engagement. The challenge with email is breaking through the clutter. An effective email strategy will depend on giving them a compelling reason to open and engage with your message.

- Don't send unsolicited emails. Instead, limit your distribution list to current clients and people who have opted into your marketing either by signing up at client events or through your website.
- Use a compelling and concise subject line that clearly communicates what benefit people will gain from opening your message. The more you can target this to investor needs or current concerns, the more effective it will be.
- Work with a graphic designer to create an online template that features your logo and a consistent look that works equally well on mobile devices.
- Go the extra step to personalize emails as much as possible. Make sure your emails include a personal sign-off with your contact information.
- Include a note inviting recipients to share content with their colleagues and friends. Also include a link in the email

message where people can sign up for your distribution list if they receive a forwarded copy.

Social media puts a human face on your practice

While social media cannot replace personal interactions and networking, it can be effective for building name recognition and promoting your brand. It can also be useful for boosting credibility. This is especially true with younger investors who may see a social media post of yours liked or shared by someone they trust. Social media advertising may also be an effective way of reaching younger investors. Wealth Management reports that 62% of high net worth investors under age 45 have engaged with social media advertisements on Facebook, LinkedIn, and Instagram.[13]

98% of investors said they viewed an advisor's website as somewhat to very important in their decision to work with them.

– eMoney Consumer Marketing Survey, 2020

Choosing the best social media platform depends on your target audience and your marketing objectives. LinkedIn might be a popular platform for professionals but may be less used by retirees. Twitter may be useful for building brand awareness, while Facebook can be useful for engagement. Younger investors are more likely to use Instagram, which also offers more capabilities for including graphics and video.

- Social media is most effective for communicating shareable content around broad investing topics. Specific promotions around your business or products may be less effective and could raise compliance concerns.
- If you connect with someone over social media, don't immediately try to win their business. Instead, use the interaction as a chance to forge a personal connection, either through a phone call or by inviting them to an event.
- Social media can also be effective for putting a human face on your firm. Social media experts recommend you limit business-related topics to only about 25% of your feed, with the balance dedicated to more personal posts, such as highlighting your community involvement, hobbies, or even your pets. This gives people insight into your values and personality before they reach out to you.
- Make a schedule for posting regularly, especially since potential clients will typically check out your entire feed to get an idea of your profile. You might assign a specific person on your team to manage your social media account.

1 Kitces, Michael. (2017, April 29.) Announcing The Latest Kitces Research Survey: Client Acquisition Costs And Best Practices In Financial Advisor Marketing. Kitces.com. https://www.kitces.com/blog/announcing-the-latest-kitces-research-survey-client-acquisition-costs-and-best-practices-in-financial-advisor-marketing/#:~:text=And%20historically%2C%20most%20advisory%20firms,of%20its%20revenues%20on%20marketing.

2 John J. Bowen Jr., Paul Brunswick, Jeanne Hurlbert, PhD, and Jonathan J. Powell. (2016). Zero In: Grow Your Income, Serve Your Clients Better and Have More Fun Through Specialization. CEG Worldwide

3 2020 Elite RIA Study, InResearch, InvestmentNews

4 2020 Elite RIA Study.

5 2020 Elite RIA Study.

6 Trends in Financial Services Marketing. Salesforce Research.

7 State of the Connected Customer. Salesforce Research.

8 State of the Connected Customer.

9 Statistica. https://www.statista.com/statistics/277125/share-of-website-traffic-coming-from-mobile-devices/#:~:text=Mobile%20accounts%20for%20approximately%20half,since%20the%20beginning%20of%202017.

10 2020 eMoney Consumer Marketing Survey.

11 Nichols, Kevin. "Are the Affluent Receptive to Digital Advertising?" WealthManagement.com, 2020. October 15. https://www.wealthmanagement.com/marketing/are-affluent-receptive-digital-advertising.

12 Marketing Plan for Financial Advisors – Grow Your Client Base. (2020, August 21.) MediaBoom. https://mediaboom.com/news/marketing-plan-financial-advisors/

13 Investors under 45 with at least $500 of investable assets. Source: Nichols.

Axos Advisor Services can help you maximize your marketing strategies

Axos Advisor Services is designed to help you realize your full potential. Our leading technology helps you boost efficiency and save time on administrative tasks while delivering an exceptional experience for your clients. This combination helps you provide unique value to your clients while enhancing your service model.

The Liberty platform from Axos Advisor Services can help you:

- **Improve scalability by automating back office tasks.** You will no longer have to spend large parts of the day on manual billing, performance reporting, or account opening. Using our integrated capabilities—like automatic proposal generator and e-signature, running proposals, and opening accounts—is simple, efficient, and fast.
- **Provide a consistent investment process.** Our modeling tools, omnibus trading, and fractional share technology enable you to provide the same investment process to accounts of all sizes. You can manage small accounts more efficiently by managing and trading accounts at the model level (instead of account level) and rebalance your entire book of business in just a few clicks.
- **Streamline client service.** Our powerful yet easy-to-use technology gives you access to what you need in one interface. Custom-built for advisors, our technology streamlines modeling, reporting, and much more—all fully integrated without requiring the cost and hassles of add-on technologies.
- **Provide clients with holistic guidance.** Our account aggregation tool is designed to provide you with easy access to view your clients' overall financial picture so you can provide more comprehensive guidance and advice targeted to their specific needs.

With the industry landscape more competitive than ever, how do you stand out? How will you compete? How will you get an edge? Axos Advisor Services can help you deliver more value and differentiation with our Liberty platform.

At Axos Advisor Services, we never stop thinking of new ways to help you grow your business and deliver more value to your clients.

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