

# Investment News

## Taking tips from Madison Avenue

Advisers aiming to expand client rosters can learn from tactics of consumer product companies

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January 24, 2010

During the worst of the market meltdown, surveys showed that three-quarters of high-net-worth investors were ready to jump ship and find a new adviser.

A recent survey by NorthStar Research Partners found that nine out of 10 such investors now plan to stick with their financial professional.

What happened?

To be sure, the market's significant recovery since 2008 has offset investor disappointment with advisers. In addition, many advisers confronted the downturn head-on by communicating with clients, listening to their concerns and keeping them apprised of what was happening with their portfolios and the market.

Finally, so many other advisers retreated from marketing their practices during the crisis that investors hunting for a new adviser didn't know where to turn.

For advisers who now want to reach out beyond their current clientele and step up their marketing, consumer product companies can offer some guidelines.

Admittedly, pitching a household product is different from selling retirement income products and other financial intangibles, but consumer marketers still have a lot to teach advisers. Their tactics, adapted appropriately, can help advisers raise their visibility.

Here are some suggestions for advisers based on the tools and tactics of product marketers:

**Free samples.** Consumer companies know the power of a giveaway: It gives the prospect an opportunity to experience the product before they buy. Advisers can do the same thing by sending their newsletter to prospects in order to give them a sense of the adviser's approach to investing. They also can offer a free portfolio review to help investors envision how their financial plans might change if they move to a new adviser. Seminars, breakfast round tables and luncheons with a speaker give prospects a flavor of how an adviser communicates and what they can expect in terms of education.

**Word of mouth.** Some up-and-coming marketing/advertising agencies focus solely on helping companies get great word of mouth. They have learned that consumers are more interested in

what other people are saying about a product than what the company itself is saying. Because referrals are the primary source of new business for advisers, word-of-mouth marketing is important.

For advisers who are starting out, however, referrals alone are probably inadequate to attract sufficient numbers of high-net-worth clients. That is why networking is so important — it allows advisers to build a community of people outside their circle of clients who can provide referrals. Along with networks of other professionals, advisers should take part in neighborhood associations, religious institutions and community groups to help generate word of mouth about their practices.

**Advertising.** It's hard to think of a brand that has grown into a household name without advertising. Advisers don't have massive marketing budgets, but smart ones use their small ad budgets wisely by concentrating on a niche market — whether that is a profession, industry or interest group — and focusing on the media that serve that particular niche. Advertising rates in such publications, broadcast outlets and websites are likely to be reasonable. Another good way to advertise is by supporting non-profit initiatives such as Little League teams, charity runs and local libraries.

**Public relations.** Good media exposure provides third-party validation in a way that advertising can't. But unlike advertising, where the advertiser has total control of the message, whether an adviser appears as part of a newspaper story, a website write-up or a radio talk show is determined by reporters, editors and producers. Advisers can improve the odds by making themselves ready for the spotlight. They can do this by retaining a public relations firm to assist them — costs range from \$5,000 to \$15,000 a month — or devoting time themselves to cultivating the media. If you would like information on creating a press kit, contact me.

Increasing visibility increases the likelihood that advisers will catch the eye of journalists. This can be done by speaking at local colleges, teaching in continuing-education programs and addressing Chamber of Commerce groups.

Advisers will find that if they think of themselves as a brand and use tactics common in consumer brand marketing, they can create greater awareness of their business.