Marketing's Magic Bullet? Keep It Simple and Consistent

by Carly Schulaka

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If the idea of marketing your practice sends your head spinning, relax. The secret to effective marketing may be keeping it simple yet consistent.

Recent research from FPA and other industry sources confirms that the majority of planners have no formal marketing plan. And while referrals continue to be the biggest driver of business growth, the most effective marketing happens as a result of implementing a few different strategies—rather than relying heavily on just one—and executing those strategies consistently.

"Marketing is not sexy and it doesn't sizzle," says Stephanie Bogan, president and CEO of Quantuvis Consulting. "It's not always about the next great idea; it's about implementing really good ideas in a great way. The secret to good marketing is on the back of a shampoo bottle: lather, rinse, repeat. Pick a few things and repeat them. Pick the things that are right for you, your brand, your target market, and execute them consistently."

A key finding of FPA's *2011 Marketing Methods: Planner Best Practices* study, which surveyed more than 400 planners in November 2010, is that no single marketing method is the magic bullet. Rather, planners who appear to be effective in their marketing efforts—measured by the number of leads and new clients generated each year—employ several strategies that work for them and with some frequency (see Figure 1 and Table 1).

So don't think about marketing as any one strategy, tool, or event; think of it as an overall plan that supports your business objectives.

What Marketing Plan?

If you don't have a formal marketing plan that you implement on an ongoing basis, you're not alone. According to FPA's 2011 marketing survey, nearly 60 percent of planners have no formal marketing plan, and only 38 percent of those without a formal plan intend to implement one in the next six months.

Among the 40 percent who do have a formal marketing plan, the majority (64 percent) developed the plan him or herself, while relatively few had a staff member (11.3 percent) or outside consultant (10.7 percent) develop the marketing plan. And almost half (49 percent) of planners with a formal marketing plan update it annually; 17 percent update it semi-annually and about one-third do so quarterly. A formal marketing plan does not have to be expensive or daunting to create and maintain—it's something that most planners craft themselves and revisit once or twice a year to tweak and update.

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The importance of having a marketing plan should not be underestimated. In its *2009 Best Practices: Business Development Study,* Quantuvis Consulting defines 1QA advisers as the top 25 percent based on total owner(s) income, measured by all owner compensation plus all ownership returns.

Seventy-one percent of 1QA advisers say developing a marketing plan is the key to driving firm growth, compared to 66 percent of all other advisers. Similar to the FPA 2011 marketing survey results, only 32 percent of respondents to the Quantuvis survey say they have a marketing plan, and among those 32 percent, only half have fully or mostly implemented the plan.

It's interesting to see that 11 percent of 1QA advisers have fully implemented their marketing plan, compared to only 4 percent of all other advisers. So while the plan can be simple (see the sidebar "Putting the Plan Together"), the key is to actually execute it.

"After working with advisers on building really effective marketing plans, what I know is if you want a plan to work, you have to work the plan," says Bogan. The separate research findings from FPA and Quantuvis on the general lack of formal marketing plans seem to indicate that many planners are resistant to marketing.

"I call it the 'expert complex,'" says Bogan. "There's a real resistance to marketing for fear of being perceived as a salesperson."

Another resistance point is not knowing what to put in the plan. Bogan recalls surveying 400 planners, asking what three things worked for generating referrals, and what three things didn't work.

"It was the same list," she says. "So it's not about the specific strategy, it's about the experience and the execution."

Marketing Methods: What's Popular, What's Not

While we know there is no magic bullet, it can be helpful to know what marketing methods are—and are not—commonly used by planners. Perhaps there is comfort in knowing that many of your professional peers are also running print ads and sponsoring local events. Or maybe you want to try a few uncommon methods to help differentiate yourself in what can feel like a crowded market.

It's no surprise that requesting referrals from current clients is the No. 1 most commonly used marketing method, with an overwhelming 81 percent of planners having used this marketing method in the last year, according to FPA's 2011 marketing survey.

"When it comes to growth for financial planners, this is a referral-driven industry; you need to take

Figure 1: Most Successful Methods

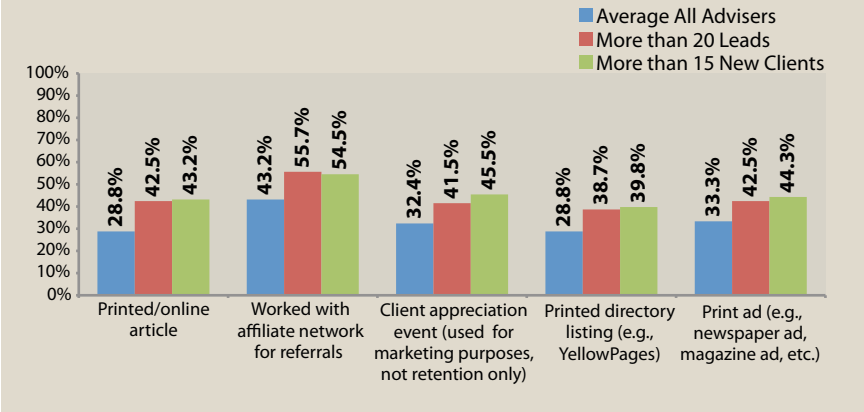

Table 1: Which of the following marketing methods have you used in the past 12 months?

Options	Percent	Percent Who Are Very or Somewhat Satisfied	Percent Who Conduct or Update this Method at Least Monthly
Requested referrals from current clients	80.58%	65.47%	53.27%
Website for self/practice	60.91%	45.28%	42.12%
Worked with affiliate network for referrals	43.17%	67.22%	61.66%
E-newsletter	42.69%	58.99%	61.79%
Print ad (e.g., newspaper ad, magazine ad, etc.)	33.33%	18.71%	29.94%
Client appreciation event	32.37%	74.07%	1.48%
Live/in-person seminar	29.74%	50.00%	15.32%
Sponsorship of local event	29.50%	43.90%	6.50%
Printed/online article	28.78%	35.83%	31.67%
Printed directory listing (e.g., YellowPages)	28.78%	20.83%	15.84%
Online lead generator (e.g., PlannerSearch, PaladinRegistry, etc.)	23.26%	35.05%	21.64%
Social media promotion (e.g., Twitter, Facebook, etc.)	20.86%	25.29%	67.82%
Mass e-mailing (from purchased list or otherwise)	8.87%	16.21%	37.89%
Online banner or text ad	7.67%	31.26%	43.76%
Webcast/podcast	7.43%	51.61%	32.26%
Cold calling (from purchased list or otherwise)*	6.47%	11.11%	44.44%
Online video (such as YouTube)*	5.52%	39.13%	30.44%
Radio ad*	5.52%	39.13%	55.89%
Television/cable ad*	2.40%	70%	60.00%
Other (please specify)**	10.07%	61.90%	40.93%

* Small base size: fewer than 30 responses

** "Other" includes: client gifts, direct mail, pro bono work, and word-of-mouth

Source for Figure 1 and Table 1: FPA's *2011 Marketing Methods: Planner Best Practices* study

Putting the Plan Together

Financial planners know they need to have a marketing plan, and yet most don't have one. Drafting a plan need not be daunting. If you're struggling, take a step back and consider these points:

Who's your market? Mike Byrnes, founder and president of Byrnes Consulting, says good marketing starts with a defined target market.

"You should not try to be all things to all people," says Byrnes. "Your marketing efforts should be focused; you don't have to do the shotgun approach."

If you're not clear who you want to serve, you can't create an effective marketing plan.

What's your goal? Whether your goal is to grow revenue 10 percent over the next year, or add three new clients a month for the next 12 months, determine your goal and commit to it. Write it down. Make it clear and succinct. Keep it top of mind.

Once you have a clear target market and a desired outcome, here are some tips for crafting a marketing plan from Stephanie Bogan, president and CEO of Quantuvis Consulting, who says a good marketing plan should be simple, systematic, and sustainable:

Keep it simple

- Simplify the plan by selecting a few methods you're comfortable with (you don't need to juggle a dozen marketing strategies at once)
- Keep it systematic to avoid what Bogan calls "yo-yo marketing," where you get so busy that you let your marketing efforts slip, then you wonder why the pipeline isn't full
- A plan that is simple and systematic—that you can implement with reasonable frequency—will be more sustainable

advantage of client referrals first," says Mike Byrnes, founder and president of Byrnes Consulting. He suggests that planners improve their consistency for asking for referrals by making it part of the marketing plan.

"One way to do that is to have it on the agenda [for client meetings]," he says. "It doesn't have to be, 'Ask for a referral,' but it could be, 'Check in to see how others are doing.' Having that on the agenda just reminds planners that it's always covered in one-on-one meetings with clients.

"I think many planners feel that they need to ask," Byrnes continues. "But they should just know that they provide a valuable service, so then the asking becomes a statement: 'I'd like to help other people just like you.'" (See Dan Richards's article on page 36 for more information on referrals.)

Other popular marketing methods according to the FPA survey include working with centers of influence for referrals, and sending out e-newsletters to clients and prospects—both used by 43 percent of planners in the last year. (Julie Littlechild writes more about maximizing your relationships with centers of influence on page 34.)

Methods being used by about one-third of planners include print ads (33 percent), client appreciation events (32 percent), sponsoring local events (30 percent), seminars (30 percent), printed or online articles (29 percent), and printed directory listings (29 percent). (See Kristen Luke's article at www.FPAnet.org/Journal/Current Issue/Supplements/2011Marketing for more on seminars.)

Then there are the marketing methods that get very little attention from the financial planning community. Only 2 percent of planners use TV ads, and 5.5 percent use radio ads. The obstacle here is likely that these methods can be expensive, but you may find local stations and smaller markets are more affordable than you think. Podcasts and online videos, such as posting educational clips on YouTube, are also not commonly used, with less than 7.5 percent of planners using either of these methods to market to clients and prospects. The hitch here may be the perceived technology knowledge required. But keep in mind that you can purchase a digital voice recorder for about $30, and uploading an mp3 file to your website or blog takes about three mouse clicks. Similar technology and steps are required for posting videos on YouTube, although a digital video recorder will set you back about $150.

Most Effective Methods

The FPA survey also asked planners how many new leads and how many new clients they gained in the last year. When we cross that data with specific marketing methods, we get an idea of which methods appear to be more effective based on a high number of leads (more than 20) and new clients gained (more than 15) over the one-year period ending November 2010.

For example, 32.4 percent of all planners surveyed conducted client appreciation events as part of their marketing efforts in the past year. Among planners who generated more than 20 leads, 41.5 percent conducted client appreciation events. Among planners who gained more than 15 new clients, 45.5 percent held client appreciation events (see Figure 1). Looking at the survey data this way helps illustrate some marketing best

practices common to planners who are growing their client base more effectively than their peers. Use Figure 1 to help narrow down the vast array of marketing strategies available, and keep in mind that a little trial and error may be required to find the best strategies for you.

Measuring Results

Once you find a few marketing strategies that fit you and your target market, and you're committed to executing those strategies consistently, the final step to effective marketing is measuring results.

"You do performance reporting for your clients. Do you do it for your business?" asks Bogan, who suggests having a set of goals and criteria you will measure. Perhaps those criteria include the number of introductions made, the number of prospect meetings, the number of closes, or average assets per close. How much did you spend and how much did you get? Simply put: compare new revenue generated with resources spent on marketing.

Quantuvis Consulting's *Business Development Study* did this and found that average firms put in $1 of marketing resources and get about $1.03 back. Top firms put in $1 and get $1.63 back.

"Add that 63 cents up for every client, every year, over the next 20 years, and that's a lot of money on the table," says Bogan.

Positioning Planners as Professionals

As the financial planning profession evolves, so should a planner's mindset about marketing. Bogan explains that many mature firms started back in the day when most advisers sold things—insurance policies, investments, etc. Over time, many of those firms have transitioned into managing assets and doing financial planning. The desire to be seen as true professionals is changing the way planners view marketing.

"I think we're at an interesting inflection point right now," says Bogan. "We have all this momentum around really positioning ourselves as professionals. The question becomes: how do we market professional services firms in a meaningful way that will move the needle?" The answer begins with conquering any resistance you have to marketing. As Bogan said earlier, just find a few things that fit, do them well, and do them often. Lather, rinse, repeat.

"If you believe you are doing the right thing for the client, don't sit there worried about how you will be perceived. You should be shouting that from the rooftops. Be a champion."

One-of-a-Kind Marketing

In FPA's **2011 Marketing Methods: Planner Best Practices** study, we asked financial planners if they do anything unique in terms of marketing. Here's what some FPA members told us about their one-of-a-kind marketing:

- "I belong to local car clubs to promote my interest in classic cars to possible clients."
- "I invite one client to invite three or four friends to a 30-minute webinar introduction to current financial concerns and opportunities. This way I'm reaching 10 to 15 new people each week without having to rent a room or incur other seminar expenses. Those who show interest are then scheduled for a one-on-one webinar before setting up a face-to-face meeting. This way, I can screen those who are not really interested from those who are. This gives me an average of two to three new clients each week."
- "I send out monthly letters that have nothing to do with financial planning. They're what I call stop-and-smell-the-roses letters. They give me top-of-mind awareness with clients and prospects, and clients really look forward to receiving them."
- "I cater to hunting and fishing people. Many of my appointments are out in my floating office (fishing boat). Clients tend to like floating office appointments and enjoy our time together in the great outdoors."
- "We contribute three hours of financial consulting, planning, and advice to various charities for their silent auctions. The charities get money for their auctions, we get recognition, and the prospect gets a discounted opportunity to check us out."

Learn More

For more findings from FPA's **2011 Marketing Methods: Planner Best Practices** study, check out an online-only article by Kristen Luke on "10 Keys to Success for Seminar Lovers and Haters." You'll find actionable tips for making your next in-person workshop a success, at www.FPAnet.org/Journal/Current Issue/Supplements/2011Marketing.