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# Financial advice marketing

## The six most common mistakes

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**O**ver the last 30 years, Recognition PR has worked with dozens of different professional services firms, including those in the financial advice arena. Almost without fail, these organisations are mid-tier firms facing one, or all of the following challenges/situations.

The amount of new business required each month to support a growing team is proving hard to find. Often, we work with firms that have grown successfully to a point through word of mouth referrals and networking by senior managers, and that approach is no longer scalable.

Marketing is experimental and ad-hoc. Often there have been attempts at online marketing, events, a client referral program or other activities.

The results are poor and the business knows it needs a strategy, a scaled-up 'always on' lead generation program and the ability to deliver it. The DIY approach is no longer working.

The positioning, or unique value proposition, is unclear to the company itself. It has had the benefit of relying on quality client and personal references and, to some degree, the need to differentiate in a competitive market has been less important until now.

When it comes to marketing, the most common mistakes encountered by firms facing these challenges are discussed in the remainder of this paper.

### Unclear value proposition to differentiate a firm

When we ask mid-tier firm CEOs and owners what their point of difference is, they often default to their competency and experience around a specific skill or practice area. That is, they have created competency around a specific service and focus everything they have on marketing that specific service. For instance, estate planning, taxation services, investing, insurance, retirement planning, education funds, and mortgage options.

Basing a value proposition on a specific competency is a problem because many other financial advice firms in the market offer exactly the same service. Maybe those other firms are bigger or smaller. Maybe they bundle some services together. Maybe they are cheaper or more expensive or in a specific geographic area. But, generally, they often say the same thing about what they offer.

**Consider:** The average person wanting tax advice seeks that service because they do not have those skills themselves. A quick Google search in January 2020 delivered the names of over two billion firms offering tax advice services. What will motivate the consumer to choose a particular firm over its closest competitor?

The answer is differentiation. When a firm can positively and clearly distinguish what it does compared with the rest of the market to meet a specific, viable market-need, demand for its services will increase.

Differentiation is not achieved by what a firm offers to its clients, but by how it offers those services. The most successful financial advice businesses create profitable niche markets by emphasising how they do what they do as a key differentiator to prospective clients. It is also known as client experience.

### Poor definition of the ideal client

The market for financial advice businesses is vast. A large portion of the population could benefit from some aspect of financial advice at one or more points in their lifetime. Given so much market opportunity, it is essential for a financial advice business to clarify which section of the market it is targeting.

The best strategy is for a financial advice business to know what problems it can solve best, and for whom.

The client types on which the practice focuses, influences everything else that follows in its marketing plan, from client communication and onboarding through to pricing models.

#### Example 1: Showcasing relevant experience

A financial advice business focusing on high-net-worth families with complex overseas investments will want to show its experience in that domain. However, a financial advice business that knows how best to work with self-employed tradespeople will portray itself quite differently.

When an advice business has a clear definition of the ideal client, more and more clients fitting this ideal profile will seek it out. Its messaging will appeal to potential prospects and, because of the outcomes clearly achieved for similar clients, they will be curious to learn more about the business. Further, a lot less time will be spent screening out clients who are value-detractors.

### Overlooking the client experience

Research abounds proving that a good client experience translates into revenue growth through improved brand loyalty, referrals and positive reviews.

Clients leave financial advice businesses for some common reasons. Ironically, most reasons are linked to a poor client experience.

#### Example 2: Types of poor client service

Substandard service includes poor client communication, poor service (sloppy work, conflicted advice or making clients feel unintelligent), and problems caused by weak systems (invoice mix-ups or forgetting last meeting's discussion points).

Poor financial advice is rarely the primary trigger for clients changing firms—although it is obviously an important contributing factor.

The reasons clients stay or leave are represented by hundreds of client experience moments. Understanding those moments gives a financial advice business the opportunity to proactively prevent the negative moments from happening while creating more of the positive moments that validate a client's decision to work with them.

Identify those moments and describe them in messages to existing and new clients.

The client experience a financial advice business creates is unique to it because it comes from a specific business vision, and the particular moments that matter to its clients. An outstanding, high-quality client experience is challenging to copy, which helps differentiate a firm in the market.

### Misunderstanding marketing tools and platforms

There is no shortage of new marketing tools and applications arriving on the market every year. Understanding what each new tool does and how it can truly add value to a business takes time and expertise.

Many firms focus on disconnected, individual solutions which create a technical overhead, grow in complexity and rarely deliver the value they should.

#### Example 3: Underutilised marketing platforms

We often see companies invest in marketing automation platforms, only to find them being used as expensive email marketing tools.

At a minimum, financial advice businesses need:

- a client relationship management, or CRM, system to track and manage the contacts in its database
- marketing automation (or at least a high-quality email marketing tool) to make sure lead management is comprehensive and reliable
- a consistent presence on LinkedIn
- analytics reporting to show how existing and future clients are interacting with the firm, and how campaigns are performing.

Admittedly, there is an overwhelming choice of tools and platforms in the market. It is worth the time and effort to become familiar with the pros and cons of each.

**Tip:** Choose tools and platforms which are simple to use, affordable and can offer the functionality a firm needs to grow over the next 12–18 months. There is no need to choose 'forever' tools and platforms from the get-go.

### Ad hoc and 'quick fix' marketing

'Strategy' is a generously used term, but it is critical for marketing success because strategy anchors campaign activity in a plan. Similar to business strategy, marketing strategy needs to outline goals and how to achieve those goals in the most impactful, cost-effective way possible.



#### The quote

*Differentiation is not achieved by what a firm offers to its clients, but by how it offers those services.*

Good marketing strategy takes time to develop. It demands understanding the ideal client, a firm's points of differentiation and the competitive landscape. It requires balancing the data a firm holds, which tools and platforms are accessible and relevant, the available budget and who is going to do what activity.

Shaping excellent and effective strategy is the reason marketing is often described as a science.

Once the marketing strategy is approved, it is brought to life with integrated tools, programs, platforms and activities. Effective marketing never succeeds as a standalone function. It needs to work hand-in-glove with sales, finance and operations teams and, sometimes agencies, for success.

If one or more of the descriptions below is true for a firm, ad hoc or 'quick fix' marketing may have already happened, in which case it is time to re-group and redesign its marketing strategy:

- Hosting static websites which are not mobile-friendly or cluttered design elements.
- Overlooking the value of linking to local directories, among other actions, to build authority with Google to improve search rankings.
- Spending too little on paid digital channels (e.g. ads are taken down after three clicks).
- Not knowing what to say to one's ideal clients.

### **Unclear metrics**

Management consultant Peter Drucker, widely known as the father of management thinking, once said, "If you can't measure it, you can't improve it."

Marketing metrics are critical, however, creating too few means being blind to the insights that really matter in measuring effectiveness. Creating too many metrics will tangle a firm in numbers which may not inform decision-making meaningfully. Moreover, if decisions are not going to be based on the metrics that are in place, is there any point having them?

There are many affordable, simple business intelligence-based reporting tools available which can easily and quickly create useful visual reporting and insights to help manage marketing.

If a business questions the validity of the data behind its marketing metrics, it is time to redefine the metrics that really matter and explore automated tools to generate the metrics views it knows it needs.

### **Getting started and moving ahead**

If a financial advice business recognises it is experiencing one or more of the challenges discussed, it should know that it is not alone. These challenges are usually a symptom of rapid growth, which is a great sign of business success. To improve future marketing success, a financial advice business should make time to explore what has worked, and what has not, worked so far. Look for the greatest opportunity areas for improvement and prioritise those. And revisit the marketing strategy to confirm it is aligned with where the business needs to grow. **FS**