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# The Financial Advisor's Guide to Digital and Social Media Marketing

Marketing is critical to building and maintaining a successful financial planning practice. Imagine yourself in your prospect's shoes for a moment: When they search online for an advisor, they find hundreds of potential matches in their area. Each advisor, from the prospect's inexperienced perspective, is indistinguishable from the next. They likely have no idea how to evaluate a financial advisor or what makes one advisor a better fit than another in this saturated marketplace.

A robust marketing strategy can help you position your value with your ideal client, and it can help you winnow out those who aren't a good addition to your roster. However, not every advisor has prioritized marketing, and even those that have may not be maximizing its potential benefits.

*The good news is that there is a significant opportunity to gain new clients in today's financial climate. In a recent survey conducted by CNBC and Acorns<sup>1</sup>,*

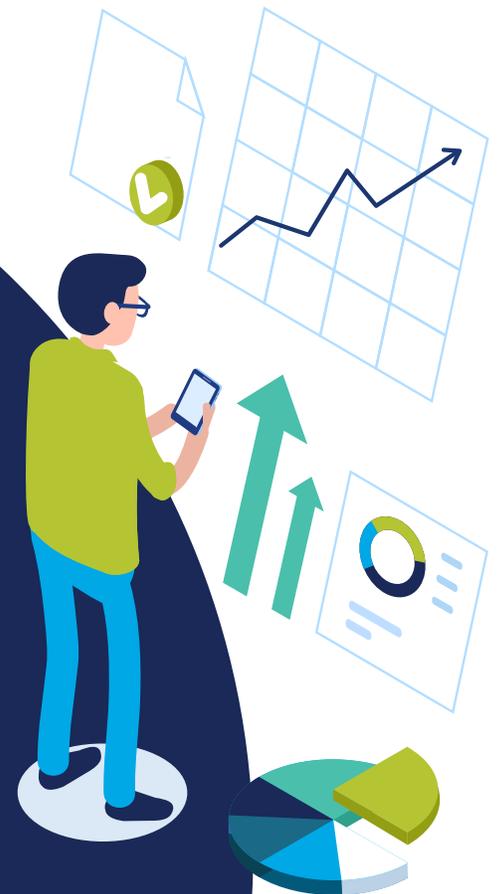
**57% of Americans are more confident in their ability to save for retirement than they were three years ago.**

*Despite this growing confidence, this same group of potential investors says that saving for retirement is still their top concern.*

*That opportunity starts with the gap in how most people manage their money and plan for the future. In the same survey, **75% of Americans said they currently manage their money without the help of a financial advisor.***

*That gap spans generations: **Only 7% of the 25–34 age group and 31% of the 65+ age group work with a financial advisor.***

*Through marketing—specifically digital marketing—advisors can promote the true value of wealth management.*



# The Digital Marketing Hurdles (and How to Overcome Them)

Why aren't financial advisors more savvy and aggressive when it comes to digital and social media marketing? Given the gap between the number of Americans who cite saving for retirement as a top concern and those who actually use financial advisors to help with those plans, the opportunity for financial advisors is ripe.

A recent benchmark study from InvestmentNews reveals that only 29% of advisory firms currently use a standalone marketing tool, with another 25% planning to adopt one over the next year<sup>2</sup>. These trends indicate that many advisors recognize the promise of better and more robust marketing programs, but may be facing hurdles that are too high to clear on their journey to finding new clients. eMoney identified several of those hurdles in our Next Best in Class Marketing Tool Research report<sup>3</sup>, surveying over 600 advisors with varying degrees of marketing experience and participation. Several barriers to marketing tool usage—indicative of deeper levels of marketing sophistication—emerged across advisors who consider themselves “mature” and “developing” marketers. These barriers include:

## Lack of time and resources:

Marketing tools require an investment to implement and have an associated learning curve. For small- and medium-sized firms, the lack of a dedicated resource to help with administration and tracking can complicate usage.

## Unsupportive purchase decision makers:

Whether it's a dedicated procurement team, operational leader or other decision maker vetting new tools for the firm, advisors may be challenged to demonstrate the value of a marketing tool—especially if that tool is new to them.

## Preference for referrals or personal client touches:

The advisor-client relationship is built on trust and familiarity. Many advisors fear that marketing tools and technology will introduce an artificial layer to these relationships and potentially undermine that personal touch.



*Solutions to these hurdles are built into many of the digital marketing tools that financial advisors may be using. For instance, the ability to automate a marketing program can solve the limited time and resources problem. If an advisor wants to nurture a prospect through a series of emails that provide helpful advice and insights that build credibility, automation can create a series of time- or event-triggered communications to that prospect. The automation program will need to be created once, but it can be used again with new prospects who will then run through the same program—essentially a “set it and forget it” approach.*

For decision makers who are reluctant to approve a new digital marketing tool, advisors can demonstrate how that tool will help to improve efficiency around traditionally challenging marketing issues like FINRA compliance. Many digital marketing tools allow firms to centralize their control over the distribution of content through a variety of channels, including email and social media. Advisors can pick and choose from approved content to share with a prospect, with the assurance that what they're sending is compliant and safe.

A preference for a more personal touch and better understanding can also be solved in part by digital marketing tools. Of course, they'll never replace a phone call or face-to-face meeting for truly personal interaction with a client or prospect, but they can help keep track of details and client interaction history. Most of these tools integrate seamlessly with existing CRM tools, which means that advisors get a record of any content a client or prospect has received.

## Everything in Its Right Place: Create a Marketing Plan First, Select Your Tools Second

It's tempting to select a digital marketing platform or tool and proceed full steam ahead. However, doing so is akin to setting out on a road trip without a set destination or a map. Advisors who rated themselves as "mature marketers" in eMoney's *Next Best in Class Marketing Tools* study rightfully identified "marketing strategy and planning" as the most important area in their marketing efforts.

eMoney's advice is to plan first, and pick a tool once you have that plan in place.

If you've never created a plan for your firm's marketing efforts, starting can be a daunting task. Here are a few of the key elements you should consider:



- The Target Audience:** Consider what type of client fits best with your firm and dive deeper into their demographics. Age, race, sex and income are all important, but you'll also want to discover if your group congregates in particular places online and whether or not they have common preferences and communication styles. For instance, you may be more likely to find Baby Boomers on Facebook who prefer emails and phone calls vs. Millennials who use Instagram and wouldn't mind if you text them.
- The Competition:** A competitive analysis is important because it can help an advisor understand the other options in the marketplace, and build a marketing plan that takes advantage of the gap. A competitor's marketing materials can also spark ideas that advisors can build upon, and make better.
- Goals:** Setting goals will ensure your plan stays on track and should be specific and measurable. Create a mix of short- and long-term goals. For example, a long-term goal would be to use digital marketing to help drive a year-over-year increase in your AUM, which is supported by short-term goals like generating more leads on a monthly basis among your target audience.
- Your Budget:** Budget both time and money for your digital marketing efforts, and measure your return on investment for both. Having the discipline to track time is challenging but worthwhile, since it's very common to spend more time than realized interacting with prospects and clients in social media settings.

# Building Relationships Across Generations: How to Strike the Right Marketing Mix for Your Audience

Age and background affect how your prospects find and consume your digital marketing content, as well as whether or not they'll trust the advice and guidance they receive from it. Once you've defined a target audience or audiences, consider how you'll market to them.

Generational marketing, a strategy for targeting audiences primarily by their age, doesn't mean you have hard-and-fast rules that will always work—many people buck the trends and stereotypes associated with their particular age range. However, it can help you establish an appreciation for some of the differences you should consider when marketing financial advice to different age groups.



**Baby Boomers**, born between the mid-1940s and mid-1960s, currently have the highest net worth in the United States. However, they're already transitioning into retirement, so income is dwindling. They may be more budget-conscious at this point in their lives. They've entered the distribution phase of the wealth management lifecycle and will be seeking advice to help them maximize their retirement savings.

**Traditional marketing works well for this generation, but they can also be found online and using social media. In fact, as of January 2020, nine percent of Facebook's more than two billion users are Baby Boomers<sup>4</sup>.**



**Gen X**, born between the mid-1960s to early 1980s, are currently in the accumulation phase of the wealth management cycle. This is the last generation to grow up without the ubiquitous use of smartphones and technology. They are tech savvy but tend to stick to the tools and technologies they know. They may be more skeptical of online marketing, so financial advisors should be prepared to back up claims with statistics and evidence.

**Eighty-six percent of Gen X use Facebook, 45% use Instagram, 24.5% use Twitter and 19.1% use Snapchat<sup>5</sup>.**



**Millennials**, born between the early-1980s and mid-1990s, are still managing student loan debt and will be focusing on goals-based planning and laying the foundation for the future. You will find millennials alongside Baby Boomers and Gen X on Facebook, YouTube and Instagram, but they are also more likely to be using messaging apps: 77% of millennials use Facebook messenger, and 66% use WhatsApp<sup>6</sup>.

**Millennials as a group may be distrustful of marketing messages<sup>7</sup>, and their purchases are driven by people they trust—so personalization of marketing messaging is essential.**



**Gen Z**, born between the mid-1990s and 2015, are now entering the workforce. Like millennials, the oldest of this generation are dealing with student loan debt and planning for the future.

**Financial advisors can start to target this group of future investors through their Gen X parents.**

# Selecting the Right Marketing Platforms and Tools

According to eMoney's *Next Best in Class Marketing Tools* study, financial advisors who rate themselves as mature marketers place the most importance on

**marketing strategy & planning**

**73%**

**marketing analytics**

**71%**

**and client communications strategy**

**70%**

They look for digital marketing tool features that can help them with

**marketing analytics**

**67%**

**digital branding**

**66%**

**and social media campaigns & automation**

**64%**

Developing marketers are prioritizing

**marketing compliance**

**34%**

**and branding**

**33%**

and value digital marketing tool features that help with

**social media campaigns & automation**

**33%**

**marketing websites**

**22%**

**and marketing analytics**

**20%**

*Comparing these benchmarks to your own digital marketing maturity can help you anticipate which features and functionality will be most valuable to you now. It's important to also consider how a marketing tool can grow with you as you increase your level of sophistication. When selecting a tool for your firm, you should evaluate its utility in several key categories, including:*

## Relationship Marketing:

Prospects are frequently identified through events and referrals, which requires a marketing tool that will integrate easily with CRM programs, offer lead-nurturing capabilities and event-planning assistance.

## Workflow:

Your marketing tool will need to work for different users and multiple departments, so involve key stakeholders in the decision-making process to ensure it supports your current workflow.

## Time Savings:

Automation and the "set it and forget it" features will help you save time, but also evaluate the service level agreements associated with your digital marketing tools to determine if customer service and support meets expectations. Tools should also have easy-to-understand guides and training to reduce the learning curve.

*Selecting the right marketing platform involves finding a mix of features that will give you the highest return on your marketing investment. This will include both how you and your firm use that tool, the type of content your audience desires, and how the audience consumes that content.*

## SOURCES

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