The definitive (simplest) guide to marketing your financial services

Slate

The 10-item checklist to raising the bar on your brand and your marketing

Financial institutions have been approaching the sell the same way for half a century. This is especially true of boutique asset managers, family offices and wealth management firms that target ultra high-net-worth clientele. However, it's no news that consumers, including older generations, have different views of how they should be served by their bankers. Consider, for example, that one-quarter of U.S. adults who go online would consider banking with a firm with no physical branches, according to Forrester research.

I used to head the marketing and communications department of a burgeoning boutique investment bank. In several opportunities, we overheard our competitors trumping their services in comparison to ours and wondering out loud why our name was more recognized in the target markets than theirs, when their offering was truly superior. Perhaps the answer was that their marketing and sales processes needed to be updated to compete in a commoditized market.

In a market where almost any firm can offer access to the world's markets, the boutique offering had to become much more than just access or advisory.

Consumers have long stopped responding to in-your-face marketing. Recommendations from friends and trusted peers, word-of-mouth and online reviews are factors that hold maximum sway over their buying decisions. People want fast, efficient, personalized help when they're making a purchasing decision. Not surprisingly, long sales pitches and marketing brochures with less quality stuff just don't cut it anymore.

This short, checklist-style guide will help you revise the way you manage your marketing and sales processes, giving you the ultimate guide to a smart and efficient marketing machine for your financial services firm.

Follow these ten guiding action points to implement in your firm the some same strategies that big wire houses do, combined with others that will help you differentiate in the market and for a fraction of the cost.

1

Start inside

It is very common to find private bankers or brokers that come and go from one firm to the other with their book of clients. These types of team members may bring in some much-needed short-term inflow of business, but they are not contributing to a firm's long-term brand building.

This is the reason why internal communications for boutique, specialized financial services firms has a whole new meaning when most of the interactions with prospects are in person.

Firms that succeed in building a trusted, lasting brand in the eyes of their clients have dedicated as much effort to their internal communications as they do to their external communications. What does it mean? Getting authentic buy-in you're your team means that all the messages coming from the organization will fall in line with one consistent brand story, that will be built one team member, one interaction at a time.

Questions - Ask yourself:

» How truly committed is your team to the long-term growth of the firm?

» How in line is the whole team with your values and objectives?

Action points:

» If you haven't yet: have monthly strategic meetings (not more than an hour) in which you share where you think the markets and your firm is going. Communicate often. Try to meet outside the office. Ask questions to your team members.

2

Check your client's touch points

The marketing department should not be an isolated team sending out invitations to the next event, or an assistant trying to do 3 jobs at a time. Marketing efforts are part of a business's everyday operational flow.

A great marketing flow includes a thorough examination of all the touch points along the customer's journey, producing a consistent brand experience. This should include everything from phone greetings, to statements, to email protocols and onboarding documents.

Gain consistency in design

A brand story is not only verbal but also visual. Great brands have consistency throughout their efforts and have a strong hand at the materials that front-end team members provide to their customers and prospects.

Questions - Ask yourself:

» Do clients have the same level of experience when calling in, checking your website or talking directly to a representative?

» Do all client-facing representatives talk about the same values and service proposition?

Action points:

» Ask a friend or colleague to pose as a client and tell you their sales and if possible onboarding experiences.

» Take a look at all materials: websites, brochures, flyers, presentations and even email signatures. Do they all look the same and present the same type of company?

3

Define how often you will communicate

A Futurewealthy report has found that most of wealth management firms are getting the fundamentals of their relationship right: speak to your client at least once a month, and expose them to specialists once every two months.

But what is what makes the most difference in the openness of this relationship? Mostly the financial investment that the client has on the firm. It makes sense: the higher percentage of the wealth anyone has in an institution, the more interest they will have in developing - and deepening - their relationship with the relationship manager.

What will make the difference then to grow your AUM from your existing clients? The last thing any advisor wants is a client that is diversifying wealth among institutions. Basically, the advisors' communications skills, reputation and ability to cross-sell effectively.

According to the report, clients citing 'good' or 'very good' satisfaction levels believe they are getting the attention that they need, hearing from their key contact 10.7 and 11.9 times a year.

In summary, their 'trusted advisors' are those who know them well enough to distill information into what is relevant.

Questions - Ask yourself:

» Are the relationship managers conscious communicators?

» Do they have a great reputation among their target market? Are they truly able to cross-sell the company's products?

4

Take selling as an integrating and cross-selling process

Today, bankers not only require a solid understanding of consumers and their behaviors, but they also need to deliver services in the way a client prefers.

Unfortunately, financial services firms tend to have always worked in silos. In a world where the cost of acquisition of a new client keeps escalating as margins keep shrinking, looking inwards to find cross-selling opportunities is not only a great practice, but should be a given. And a key factor in this process is creating a culture of ultra-focus on the needs of the client. This means that all efforts should be on getting to know each and every one of the clients to be able to anticipate their needs.

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Check out this great report on [8 Ways to Stop The Cross-Sell Confusion in Banking]

Questions - Ask yourself:

» How deep is the advisor's relationship with clients? And most importantly, how deep is the client's relationship with the whole organization?

» Is there any process/incentive in place for different business lines to collaborate with each other on clients?

Action points:

» Assign a "cross selling ambassador". A high level executive that can work on actions to improve the communication and collaboration between business lines.

5

Reframe your service

The dynamic between customers and banks is changing. Customers no longer want their banking relationship to be solely transactional; they want advice-driven banking that is personalized to their needs. Great financial brands focus on human-centered design that ensures the needs, wants and limitations of customers are prioritized on each of the interactions they have with their brand.

This becomes especially true in the higher-end offering of Asset Management, Wealth Management and Private Banking. Great financial brands focus on human-centered design that ensures the needs, wants and limitations of customers are prioritized on each of the interactions they have with their brand. It is time financial services evolve from transaction-based relationships into experience creators.
Check out this great report on What Financial Marketers Can Learn From the Travel Industry

Switch the focus: what is the outcome of your service?

Most companies' focus on what they do and try to do it the best they can (as they should). However, when talking to clients and prospects they forget to shift their focus, they forget to go from WHAT and HOW they do to telling them the RESULT or the outcome that the clients should expect. What happens then? You get websites, brochures, presentations with "what we do", "our products", "our process," etc.
Why? Because they are so focused on doing it right (which they should be!) and providing the best service, that they miss the objective: to deliver the best outcomes for their clients.

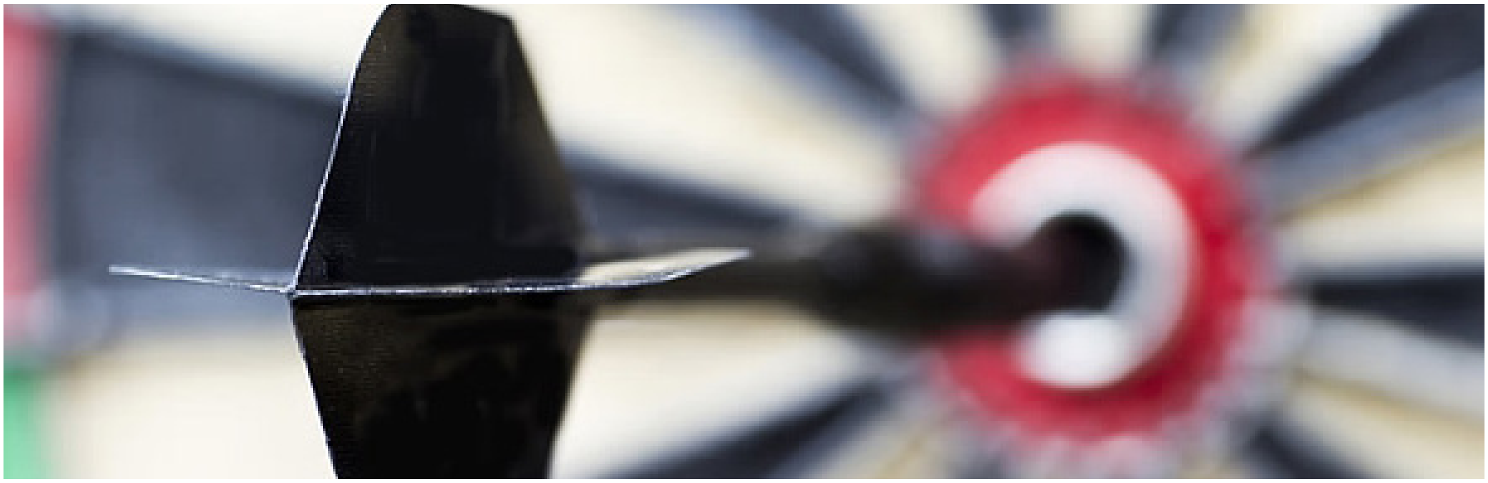
Let's say you go to buy a phone. You get into the store and you are faced with huge advertising that says "we buy the plastic and manufacture the body, our programmers develop software and we manufacture amazing processors! Buy our phones!". Unfortunately, in financial services many times this is what many firms will do.
Your action point here: Simplifying communications and mainly, shifting the focus, to make it about the client and the outcome. The good thing is that in the process the result is actually better products, because you will put in the needed thought and effort to adjust from a process-service-operational mentality to one focused on outcomes, deliverables and results.

Action points:

» Sit down and list your products. Then, list the benefits for the clients and the potential outcome. How can you present your product from their point of view, their aspired outcome?

6

Narrow your target



I have heard it once and again: “We can serve target market A, B, or C. And we can provide all of the services they require.”

Deeply narrowing a target market and servicing is something every single entrepreneur - and sales executives or financial advisors - have been at one point or another at least hesitant to do. They have what we would call FOMO - Fear of Missing Out - on a bigger, better, wider market.

So in order to get over that fear, here are the top three reasons you should narrow your target market:

1. Stand Out

The closer your message gets to what your audience is interested in hearing, the higher the chance that you will stand out on their radar and be heard. Not only that, this will create a “top of mind” factor for them to reach out next time they are thinking that they need help. For example, if you were to by an Audi, where will you think of going first? The multi-brand car dealership or the Audi one?

2. Be a Thought Leader

Yes, we all know you have a wealth of knowledge and can solve many of your client’s problems. But you have to solve just one issue to get your foot in the door. Present one thing you know well and position yourself as the leader of that one area/service/industry niche. Once they open the door, you will be able to present the world of services you have for them.

3. Open the Door to Develop Relationships

Here is where most financial organizations and others many times fail: they gain clients and forget to reap the benefits - or cross sell - to show the many capabilities their firm has.

It is key that once you have introduced yourself and proven that you can solve a client’s problem, you work on deepening your relationship by staying in tune to the challenges that your client is facing. Little by little, they will be open up for you to show them that you - and your organization - are capable of solving not one, but many of their problems.

7

Learn from growth hackers

Growth hacking is a marketing technique developed by technology startups which uses creativity, analytical thinking, and social metrics to sell products and gain exposure. Growth hackers focus on low-cost and innovative alternatives to traditional marketing, e.g. utilizing social media and viral marketing instead of buying advertising space.

This practice is particularly important for startups, as it allows for a "lean" launch that focuses on "growth first, budgets second." When we go deeper into this practice, however, we find that most growth hacking techniques have one key practice in common: They integrate marketing into their every day processes. For example, a very common practice and one of the first ones to be implemented was to ask for referrals on the sign up page.

However, the marketing department should not be an isolated team sending out invitations to the next event. Successful marketing efforts are part of a business's everyday operational flow.

Growth Hackers focus on efficiency

When working inside organizations, marketers should focus on existing tools, not developing new ones. For example, if you want to develop an Intranet and foresee a long learning curve for the team, try to find a system that emulates existing platforms. There are great providers out there that will convert a Sharepoint intranet into a fully customizable social media platform.

Growth Hacking is about processes

Dropbox gives you more space if you invite other users in your sign up process. Why not integrate that into your sales meetings? Offer additional, free if possible, advice to the client.

Growth Hacking focuses on the bottom line

All marketing actions should not be in a vacuum. What is the bottom line business objective? How can each marketing action impact or accelerate the way there?

8

Don’t ignore social media

79% of financial advisors get new clients via social media

A Survey conducted by Putman Investments found that the majority of financial advisors are gaining new clients through social media and they are active on at least 5 social networks. This helped them report an increase in AUM through digital channels.

But HNW clients are not so sure

However, according to Temenos, almost two thirds (62%) of HNW clients, while now in favor of ‘the digitization of wealth management services’, they still want to meet often with an advisor. To make it even more complicated, only 17% of HNW clients say technology is now essential. Half of the surveyed clients actually cited cyber risk and hacking as a top concern when using technology.

So what is the right balance? Do you create a social media strategy with the single objective of getting new clients and then grow the relationship by meeting with them in person? This scenario takes the ever-increasing wave of robo-advisors for HNW completely out of the equation.

Achieving the right balance between digital and personal communications is definitely the main challenge with HNW and other financial services clients.

Which combination is best?

The key then is to figure out which types of conversation and interactions the client will be more open to have on a digital format and which ones should still be kept over coffee or drinks. Only a good look at your client and their behaviors will tell.

9

Prioritize the one-on-one

The NextGen of clients prefer the One-on-One.

A very interesting study by Vanguard found that roughly 60% of financial services clients across all wealth and age segments prefer to work primarily with a single financial advisor and about 30% said they prefer a single advisor with supporting team members.

However, respondents said they were willing to consider teams as long as they were limited to three advisors or less. Respondents with higher levels of wealth were more receptive to working with advisor teams, while respondents with lower levels of wealth and younger respondents were more likely to strongly prefer single-advisor relationships.

This leads us to think: in the social media age of one-to-many, you need the tools to generate leads. But for financial advisors and in financial services in general, your personal brand, personal touch and the perception that clients have of you as a person before and after they meet you... that is still the number one reason they will work with you.

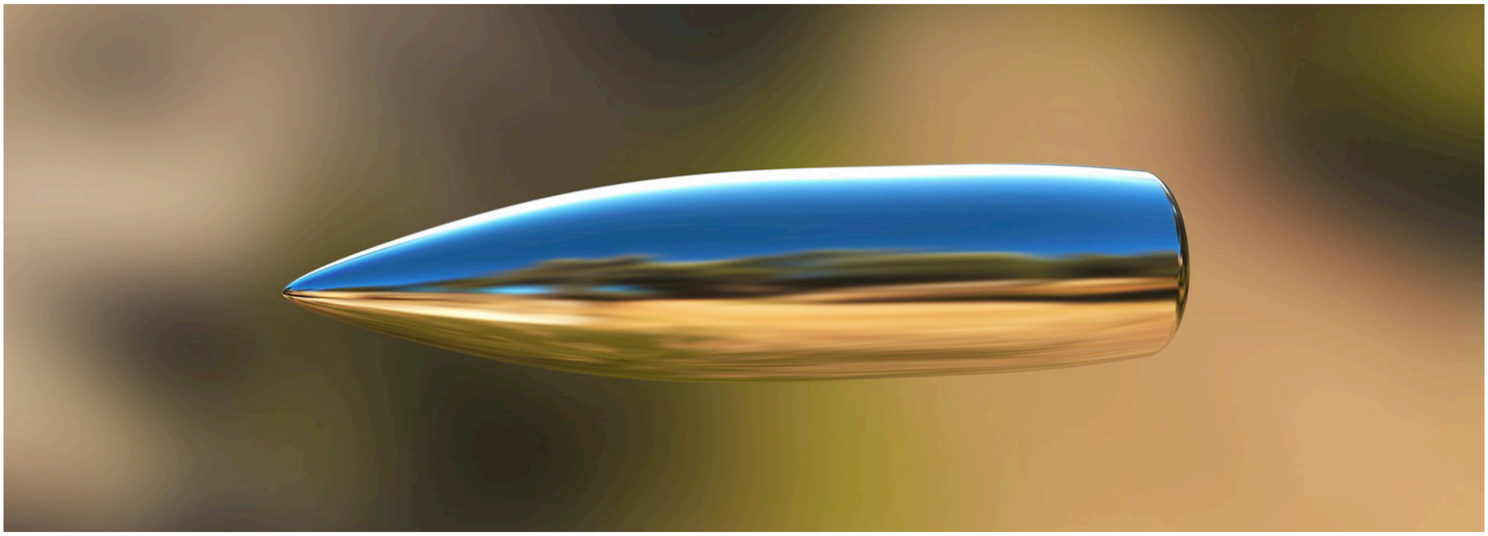
There is no replacement for human connection in something as personal as money.

Action points:

» Sit down and list your products. Then, list the benefits for the clients and the potential outcome. How can you present your product from their point of view, their aspired outcome?

10

There is no silver bullet - try different things



Great brands are built one touch point at a time, one client at a time, over time. Throwing money at just one marketing tool isn't enough. Successful brands integrate their marketing efforts and brand story into everything they do, and let the process work for them in the long term.

Instill learning in everything you do

According to the book Mindset, by Carol Dweck, in summary, in a fixed mindset people believe their basic qualities, like their intelligence or talent, are simply fixed traits. They spend their time documenting their intelligence or talent instead of developing them. These are the people for whom failure is devastating. In a growth mindset, people believe that their most basic abilities can be developed through dedication and hard work—brains and talent are just the starting point. Virtually all great people have had these qualities. For them, failure is just part of the process.

Now, while Dweck focuses on people, historically, many financial services firms actually are born and live their productive years with a "greatness" premise from their executives, expecting the whole organization and their teams not to fail. They are expecting success to come easy, just as a result of their product design.

However, there are others such as BBVA, which has a successful innovation lab, that actually doesn't work on a vacuum and is fairly embedded in their organization.

Another great example is BMW Group Financial Services, that decided to open an Innovation Lab to " explore customer-focused initiatives from young, energetic and talented small companies" according to its CEO Mike Dennett.

So while these are good "publicity stunts" as many would call it, I see it as a sign of a company that is looking to learning as part of their own process, bringing in views from outside its comfort zone while inherently creating a growth mindset in their team. These will be, in the long run, the real winners.

Plus! Be honest and transparent. For real

The financial industry is in a very peculiar situation that is hardly found in any other marketplace. Firstly, they sell products that their consumers don't understand - Honestly, sometimes even the sales person doesn't understand it!

Secondly, the industry is set to mostly overcharge for their services. And most importantly, their products have a direct, enormous, impact on their client's lives.

But here we are talking marketing, so the question is: what is the best way to stand out in such a difficult industry? The most successful financial advisors have been the ones that show true transparency and honesty with their clients. Taking the meaning of fiduciary responsibility to new levels.

So if you want to stand out, ask yourself these three questions when sitting down in your next meeting with a client.

Are you diagnosing before offering a prescription?

Imagine you go to the doctor's and he starts not with a question, but a statement. "Everyone I've seen today has the flu. Here's your prescription." Then, the doctor leaves the room before you explain you're there for an allergy.

People need advice that fits their financial situation, not someone else's. During the initial meeting, ask a lot of questions. A solid, impactful financial plan requires you to learn about your client more than them learning about your product.

Do you have any conflict of interest?

Your client may, or may not, ask about it. We all know it is almost impossible to remove every conflict. Successful advisors happily disclose their conflicts of interest. Why? Simply because it builds trust. If you are willing to pull the curtain, you are showing you will be putting your client's interest first.

How are you paid?

How much will the client pay and how much will somebody else pay you? Similar to the conflict of interest, sharing your revenue stream and a clear cost structure for your client will generate the base for a trust worthy relationship. You may think that in the short term their negotiation on pricing may hurt, but the value generated from a long-term client will certainly out-weight the short term effects.

So... how are you going to set the table for an honest conversation in your next meeting?

In sum, great financial services brands have a marketing machine that constantly feed into the building of their brand

Face to Face

In high-end boutique financial services there is yet to be a replacement for one-on-one, banker-client meetings

Ongoing communications

A good marketing plan ensures that their brand is constantly in touch with their clients

Touch points branding

A wholesome vision of the client's brand experience

Content Disemination

A set of tools to take your story into the hands of the target market

Content Generation

A brand story that is constantly told in different ways and formats

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