

Driving client acquisition

New study: Marketing Practices of Growth-Focused Financial Advisors





EXECUTIVE SUMMARY

Smarter marketing pays off.

Financial advisors face growing headwinds as they strive to increase AUM. The battle for new business is more intense than ever. So how do Growth-Focused Advisors consistently outpace their peers? A new Broadridge study takes a closer look at practice goals, target markets and what separates high performers from the rest of the pack.

The bottom line: There is a wide gap in acquisition and spend rates across the advisor community—and smarter marketing pays off. Yet marketing isn't easy, and what works is evolving fast. Advisors—even Growth-Focused Advisors—have room to improve both marketing efficiency and impact.

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THE RESEARCH

- 406 financial advisors with \$10M+ AUM
- 218 RIA firms; 177 Independent Broker-Dealers
- 172 sole practitioners; 234 team members
- 1/3 each of ages <45; 45-54; 55+

DEFINITION: THE GROWTH-FOCUSED ADVISOR

- ▶ Spending \$5K+ on marketing annually
- ▶ Age 25-49
- ▶ Aggressively adding new clients





NEW CLIENTS LAST YEAR

More than 40% of Growth-Focused Advisors successfully acquired 20+ clients over the last year, whereas only 16% of other advisors onboarded at this rate.

GROWTH-FOCUSED
ADVISORS

43%



ALL OTHER
ADVISORS

16%



ASSETS UNDER MANAGEMENT

Growth-Focused Advisors average almost twice the assets under management of their peers.

GROWTH-FOCUSED
ADVISORS

\$297M



ALL OTHER
ADVISORS

\$154M

Growth-Focused
(N=85)

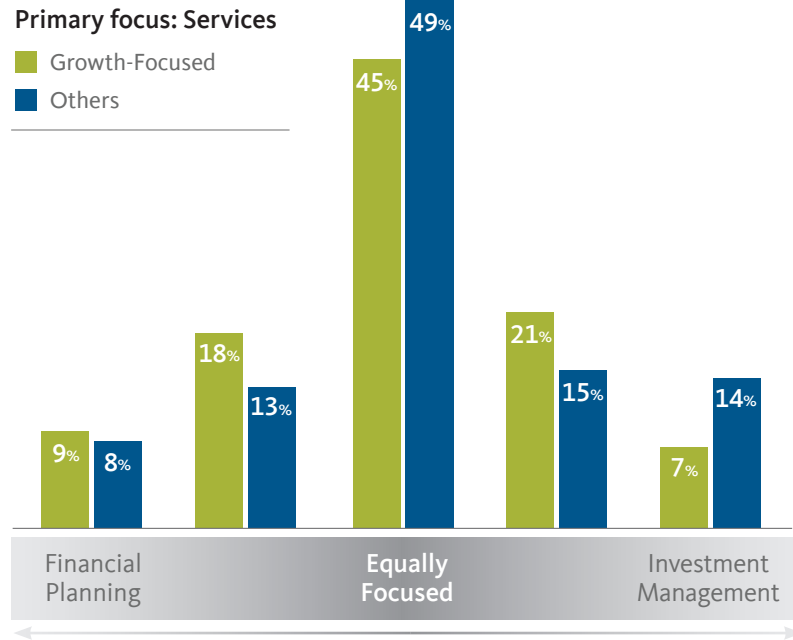
Others
(N=320)

Growth-Focused Advisors average higher assets under management and are acquiring clients at a higher rate.

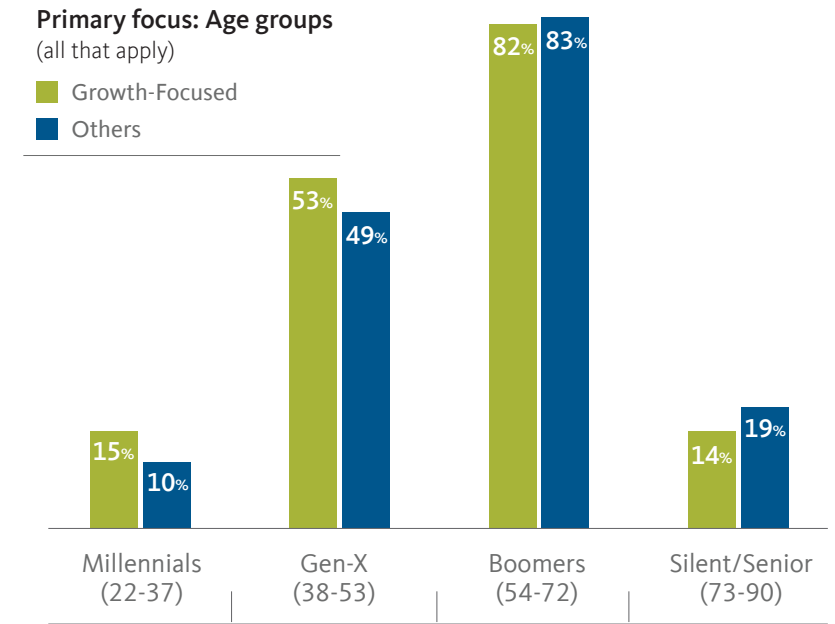


Advisor snapshot: Key characteristics emerge

TODAY'S FINANCIAL ADVISORS OFFER A COMPARABLE MIX OF FINANCIAL PLANNING AND INVESTMENT MANAGEMENT.

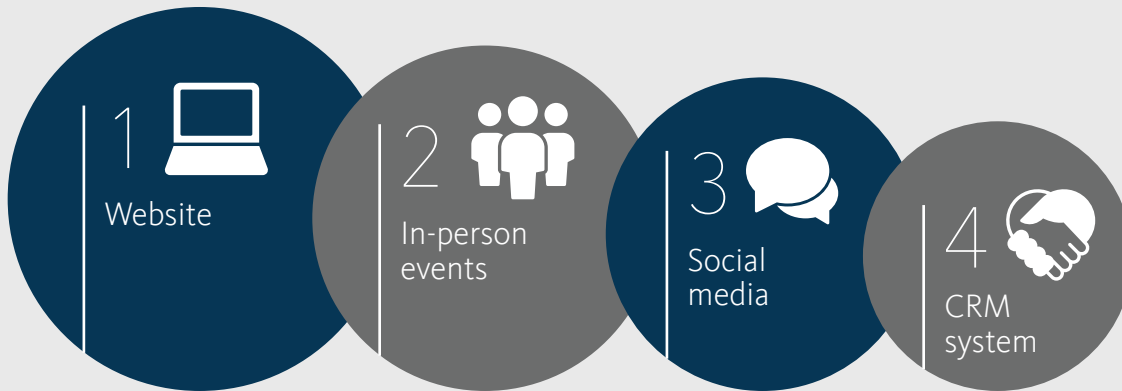


THE CLEAR FOCUS IS ON GEN-X AND BOOMERS.

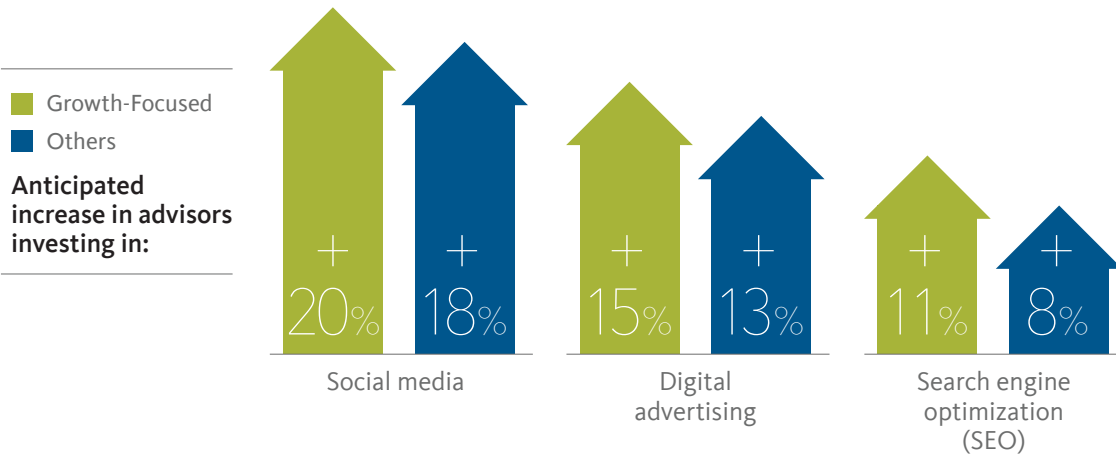


ADVISORS INVEST THEIR MARKETING DOLLARS IN THE SAME TOP CHANNELS.

Top four channels in terms of marketing investment



A SUBSTANTIAL PERCENTAGE PLAN TO INVEST IN DIGITAL MARKETING.



MYTH:

Older advisors are generally not growing their practices.

FACT:

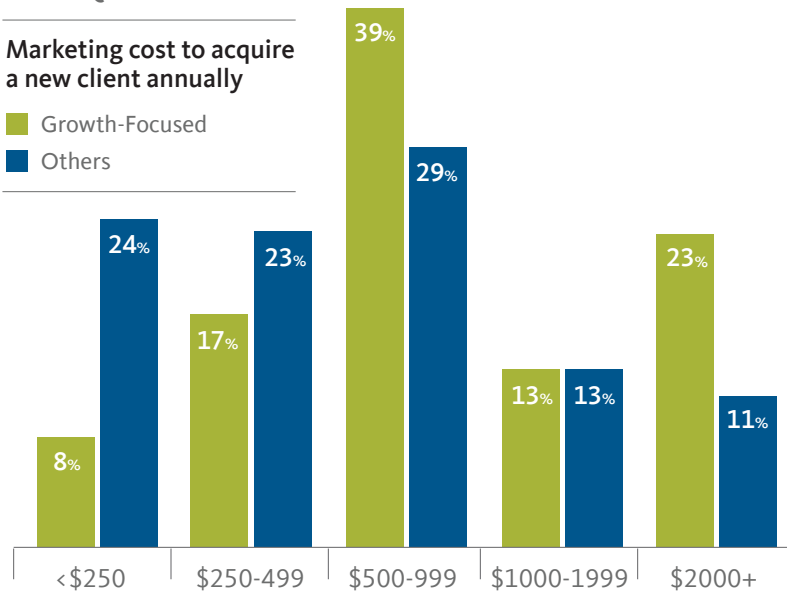
Across all advisors surveyed, those 55 and older acquire new clients at a similar rate to their younger counterparts.

Growth-Focused Advisors go bigger to grow bigger

GROWTH-FOCUSED ADVISORS SPEND MORE ON MARKETING PER ACQUISITION.

Marketing cost to acquire a new client annually

■ Growth-Focused
■ Others

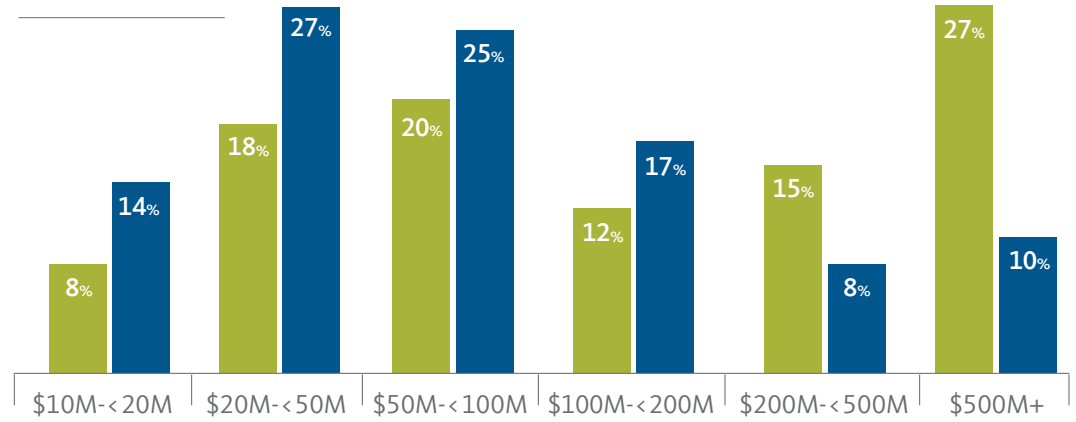


AVERAGE COST: **GROWTH-FOCUSED \$1451** **OTHERS \$895**

THEY ACHIEVE A HIGHER LEVEL OF ASSETS UNDER MANAGEMENT.

Assets under management

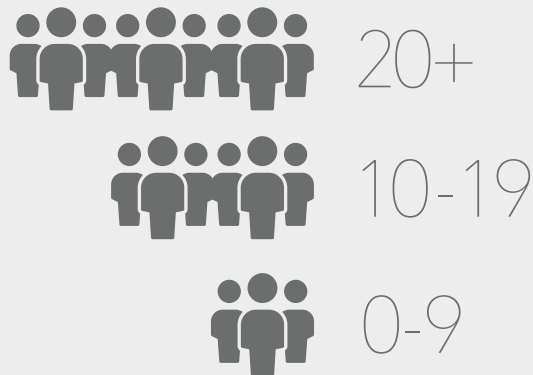
■ Growth-Focused
■ Others



AVERAGE ASSETS: **GROWTH-FOCUSED \$297M** **OTHERS \$154M**

GROWTH-FOCUSED ADVISORS ACQUIRE CLIENTS AT A MUCH HIGHER RATE.

New clients added over the past 12 months



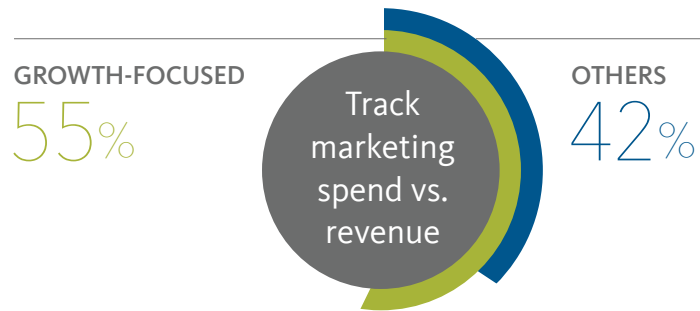
GROWTH-FOCUSED

OTHERS

Due to rounding, the percentages above may not total 100%.



THEY'RE MORE LIKELY TO TRACK MARKETING EFFECTIVENESS IN TERMS OF REVENUE.



PLUS, THEY'RE MORE CONFIDENT IN THEIR ABILITY TO MEET THEIR GOALS.



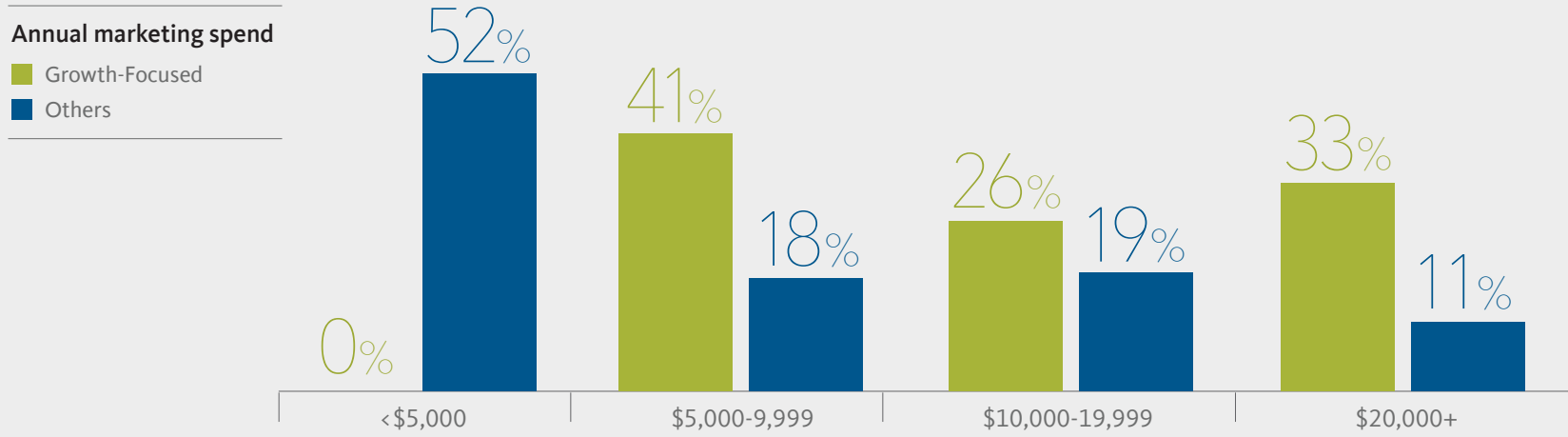
That's 11% higher than other advisors.

There are clear areas of differentiation between Growth-Focused Advisors and the rest of the pack.

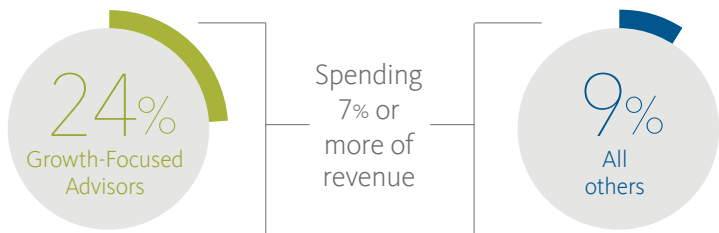


Growth-Focused Advisors manage marketing differently

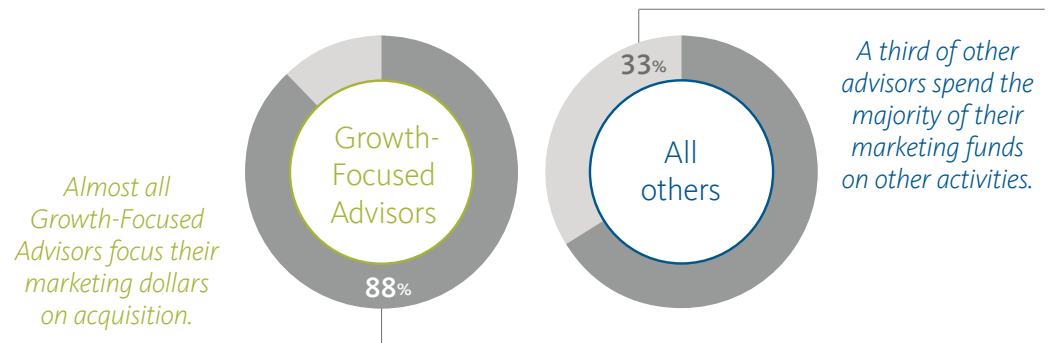
TO ACHIEVE THEIR GOALS, THEY SPEND MORE ON MARKETING WITH ONE-THIRD SPENDING MORE THAN \$20K ANNUALLY.



THIS ISN'T JUST ABOUT SPENDING MORE—THEY'RE SPENDING MORE AS A PERCENT OF REVENUE.



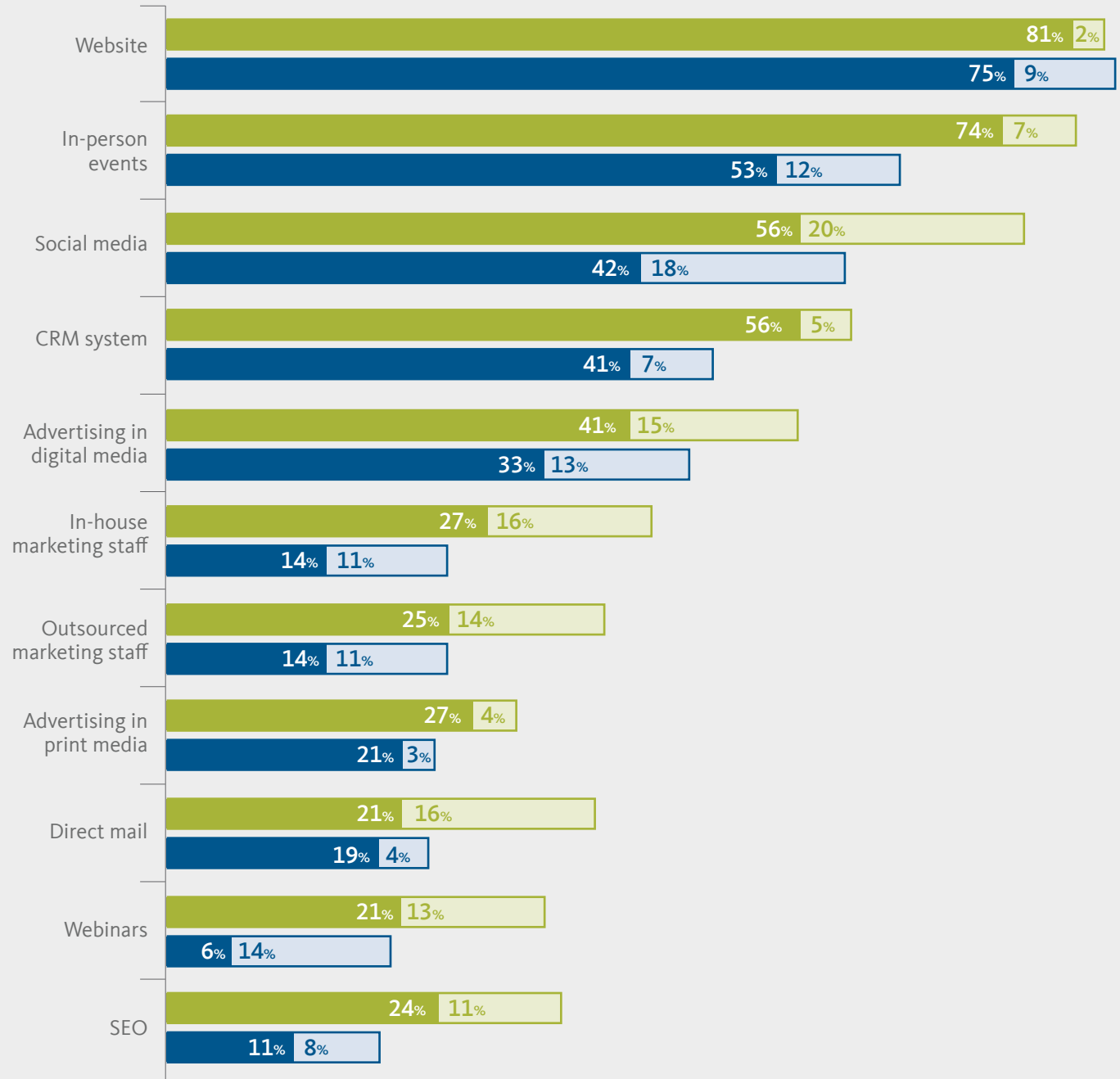
THEY ALSO DEVOTE MORE OF THEIR MARKETING DOLLARS TO ACQUISITION.



GROWTH-FOCUSED ADVISORS MORE FREQUENTLY INVEST IN (OR PLAN TO INVEST IN) VIRTUALLY EVERY CHANNEL.

Marketing channel usage

- Growth-Focused current investment
- Growth-Focused planned investment
- Others current investment
- Others planned investment





Among all advisors, there's room to improve marketing effectiveness.

Cracking the marketing code

TODAY'S ADVISORS CONTINUE TO STRUGGLE WITH MARKETING.

GROWTH-FOCUSED	MARKETING OBSTACLES TO OVERCOME	ALL OTHERS
42%	Finding the time	39%
39%	Finding the right people	41%
39%	Developing a digital marketing strategy	38%
32%	Evaluating marketing ROI	26%
25%	Selecting appropriate technology	24%
22%	Developing marketing plans	21%

MOST LACK A WELL-DEFINED STRATEGY.

GROWTH-FOCUSED

42%

Have a defined marketing strategy

ALL OTHERS

24%

IN-PERSON EVENTS AND WEBSITES STAND OUT AS TODAY'S MOST EFFECTIVE MARKETING CHANNELS.

Most effective marketing channel

■ Growth-Focused
■ Others



Pathways to marketing success


Today's Growth-Focused Advisors are outperforming their counterparts, spending more to get more. But there's a clear opportunity for all advisors to be more strategic in their marketing.

Plus, fast-paced, data-driven digital marketing requires smart tools and careful metrics.

Broadridge can help advisors strike the right balance, optimizing digital and other channels, to achieve a competitive edge. Learn how you can tap into a wealth of proven resources and expertise at broadridgeadvisor.com >

ABOUT THE STUDY

This survey was conducted in May 2019. Advisors were invited to participate via email. The survey was administered online. 406 financial advisors with \$10M+ AUM participated.



“Growth-Focused Advisors are intensely focused on client acquisition, and it shows. Their higher acquisition rates and AUM numbers demonstrate clear marketing ROI.”

— KEVIN DARLINGTON
VP PRODUCT DEVELOPMENT
BROADRIDGE ADVISOR SOLUTIONS

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