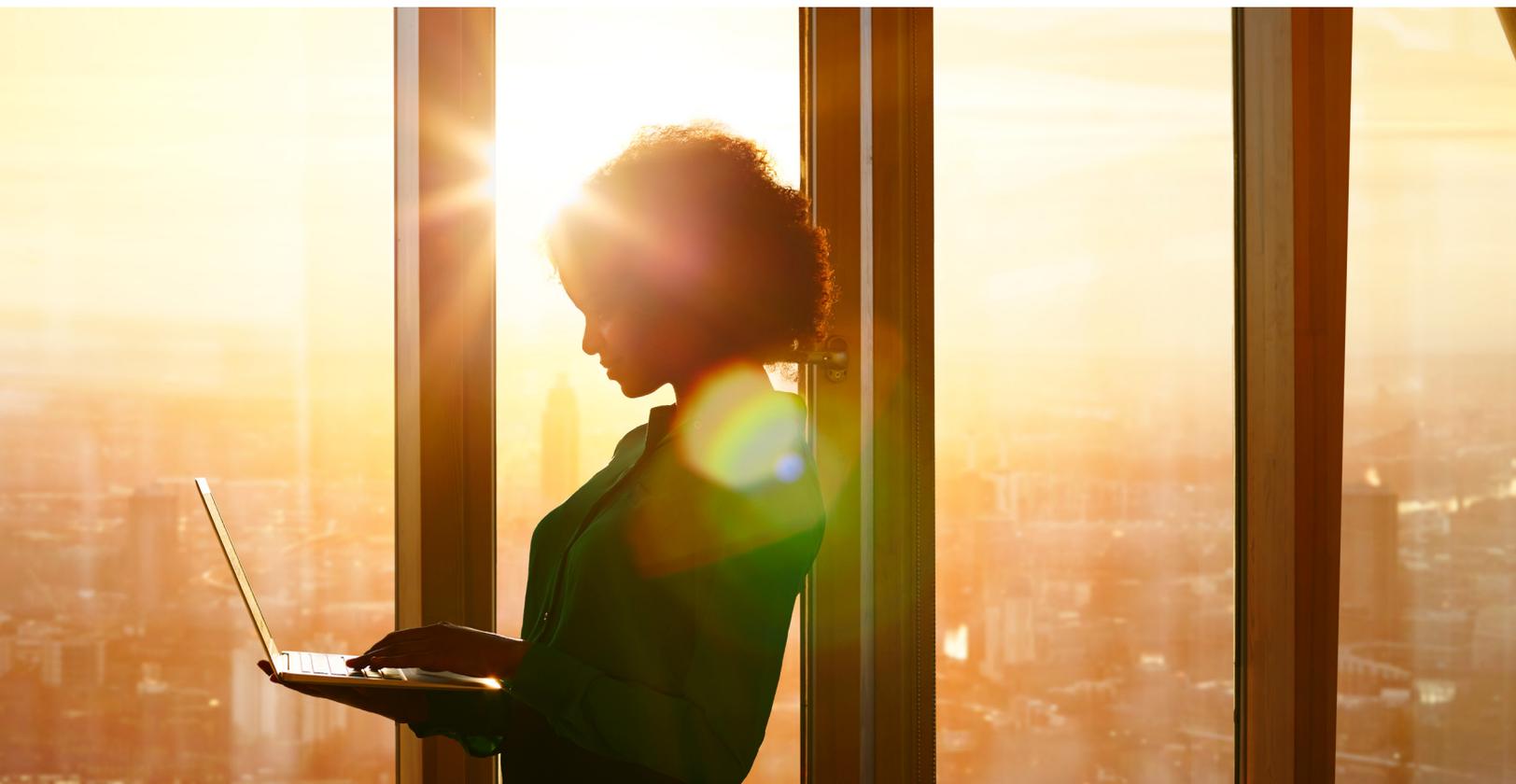


December 2020

Arming Advisors for Success in a Post-2020 World

Well-defined plans and smarter tools ensure
relevance in a rapidly changing financial landscape.



INTRODUCTION: REMAINING RELEVANT AFTER 2020 STARTS WITH A PLAN



The growing pressure on financial advisors to increase AUM only intensified in 2020's climate of uncertainty. For many advisors, identifying the best client acquisition strategy is a moving target as investor expectations are quickly evolving. At the same time, the societal and industry-wide shift to digital marketing is presenting unprecedented opportunities for growth.

Advisors of wealth management firms that are quick to adapt can gain an advantage. The timing couldn't have been better for Broadridge's annual Financial Advisor Marketing Study, which took a closer look at what has changed since 2019, how high performers are acquiring new investors in the digital-first ecosystem and how they plan to increase ROI in the days ahead.

Not surprisingly, study participants who make greater marketing investments and are armed with a strategic plan ultimately acquire more clients. However, the study uncovered a bleak fact: Financial advisors are struggling to develop and launch their marketing strategy, especially as it relates to digital channels. Marketing budgets decreased over the last year, as did advisors' confidence in meeting their practice goals.

The bottom line: Advisors who are equipped with digital marketing technology supported by a fine-tuned strategy stand to gain and retain high-value clients and the next generation of investors.

This white paper delivers research insights and a discussion of the marketing trends, best practices and technologies that are redefining performance standards in wealth management. We track how the industry is evolving to help you stay ahead of the competition—no matter what comes next.

“Investors are seeking more personalized services in all aspects of their lives. Advisors who take the time to create a defined marketing strategy have the potential to exceed investor expectations. Advisors who define their target audience, understand where they should share relevant content and know how to nurture leads through digital channels are better equipped to engage clients and drive a higher return on marketing investment.”

MICHAEL ALEXANDER
PRESIDENT, WEALTH MANAGEMENT
BROADRIDGE FINANCIAL SOLUTIONS

METHODOLOGY

Arming Advisors for Success in a Post-2020 World is based on original research and insights drawn from Broadridge’s extensive industry expertise. The 2020 survey was conducted in August 2020 and captures data from 400 financial advisors with \$10M+ AUM. The 2019 survey was conducted in May 2019 and captures data from 406 financial advisors with \$10M+ AUM. The 2020 survey was conducted by market research consultancies 8 Acre Perspective and Boston Research Technologies. The 2019 survey was conducted by Boston Research Technologies.

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Key solutions to eliminate barriers and improve digital marketing in 2021 and beyond

PART 1: 2020'S IMPACT ON FINANCIAL ADVISOR MARKETING



The shift from in-person to virtual meetings and events heavily influenced advisor marketing priorities in 2020. Advisors took a less aggressive approach to client acquisition overall, which may have established a trend that set firms and advisors back.

Average budget allocations for marketing significantly decreased from \$19,194 in 2019 to \$12,939 in 2020. Not surprisingly, reduced investments in marketing appears to have negatively impacted revenue. Advisors who increased marketing investments, however, were better positioned to reach growth targets.

THE IMPORTANCE OF A PLAN

The opportunity to boost AUM during market volatility is apparent—but advisors must be prepared with a marketing plan. Maintaining relevance in changing environments requires a more aggressive approach to marketing. Rather than pulling back, it pays to move forward with a comprehensive plan and the flexibility to adjust as conditions change.

Transform Market Volatility into an Advantage

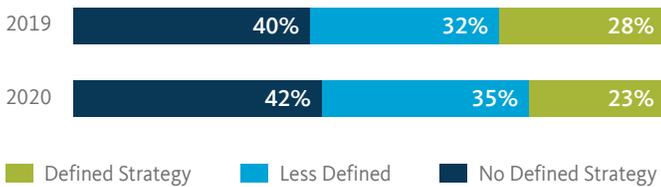
The opportunity to boost AUM during market volatility is apparent—but advisors must be prepared with a plan.

To optimize revenue potential, advisors must identify their barriers to effective marketing—now and going forward. Advisors equipped with the right tools are better positioned to exceed growth targets.

TOP OPPORTUNITIES FOR IMPROVEMENT IN 2019 REMAIN UNRESOLVED IN 2020

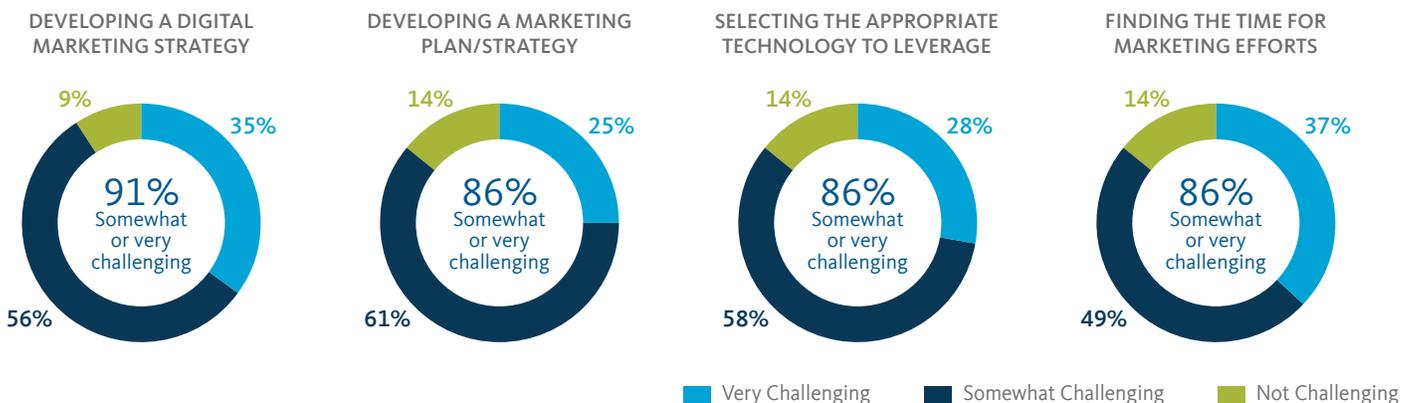
In 2019, only 28 percent of advisors indicated that they were equipped with a well-defined marketing strategy. Sweeping changes were needed to improve advisors’ ability to execute marketing effectively. However, few capitalized on the opportunity to revamp their approach, a trend which continued in 2020—just 23 percent of advisors had a fully developed plan of action.

DEGREE OF MARKETING STRATEGY DEFINITION



The factors contributing to this trend are quite specific, offering a roadmap to firms and advisors ready to elevate their approach. Through our research we have identified three essential barriers to implementation: lack of strategy, lack of technology and lack of time.

ADVISOR MARKETING CHALLENGES IN 2020



Advisors Seek Better Tools to Excel

Overall, advisors are looking for more support. Wealth Management firms that respond appropriately will be better equipped to attract and retain top advisors.

Lack of Strategy

Advisors continue to report they lack the tools needed to develop their strategy. Establishing the right environment for a successful marketing plan is a critical first step.

Technology

Relatedly, advisors are unsure as to which technology is best suited to execute their marketing plan. Assessing where they currently land on the digital maturity spectrum and comparing it to their goals will help inform the best course of action.¹ Areas to assess include their ability to reach the target demographic and to convert leads. Once advisors have taken a thorough look at their strengths and areas for improvement, it’s easier to identify the right technology.

Time

The last significant barrier is finding the time to prioritize marketing. This is where digital tools and technology can have a major impact—expanding capacity, marketing execution and oversight. Overall, advisors are looking for more support. Wealth Management firms that respond appropriately will be better equipped to attract and retain top advisors.

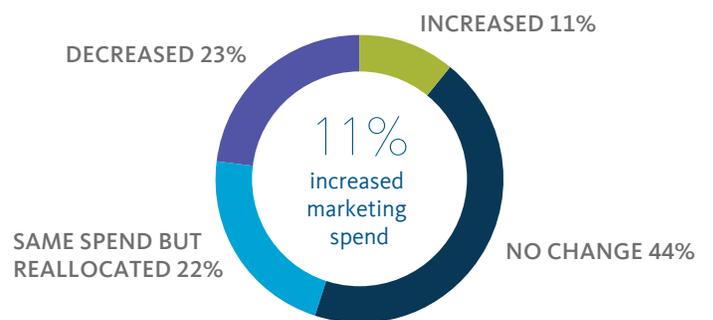


IMPACT OF COVID

Advisors, already experiencing marketing challenges in 2019, felt a deeper impact when in-person events came to a halt in 2020. The struggle to execute marketing plans and close new business led many advisors to be concerned about meeting growth targets. The trend was obvious: Advisor confidence in meeting goals dropped from 63% in 2019 to 49% in 2020. In an effort to mitigate risk, many advisors decreased their investment in marketing activities.

Declining advisor confidence in reaching 2020 business goals was also influenced by insufficient marketing ROI. Many advisors reported that their ROI for marketing activities simply missed the mark. In fact, only a small percentage (12%) of advisors indicated that they were “very satisfied” with the outcomes from their marketing efforts. While many chose to reduce marketing spend, a small percentage of advisors (11%) chose to pivot and increase marketing spend.

MARKETING SPEND DURING COVID-19



Website Performance

Another key marketing challenge in 2020 was website performance. While websites are considered a core element of a comprehensive marketing strategy, almost two-thirds of advisors (65%) who generate leads through their website report that their websites are ineffective at meeting growth targets. There is an opportunity to redesign websites to boost discoverability and optimize digital prospecting. Implementing the right digital tools can transform websites into engines for growth and expansion.

PART 2: HIGH PERFORMERS SUCCEED WITH A DIGITAL MARKETING PLAN



Our research has identified a subset of advisors who actively pursue client acquisition and allocate a minimum of \$5,000 to marketing each year. As a result, these growth-focused advisors (GFAs) achieve greater success in acquiring new clients.

In 2020, growth-focused advisors reaffirmed the effectiveness of their marketing approach—demonstrating resilience even in times of accelerated change. A comprehensive and nimble digital marketing plan was central to their success. High performers maintained their competitive performance from 2019, acquiring clients at a higher rate—two times more than non growth-focused advisors in 2020.

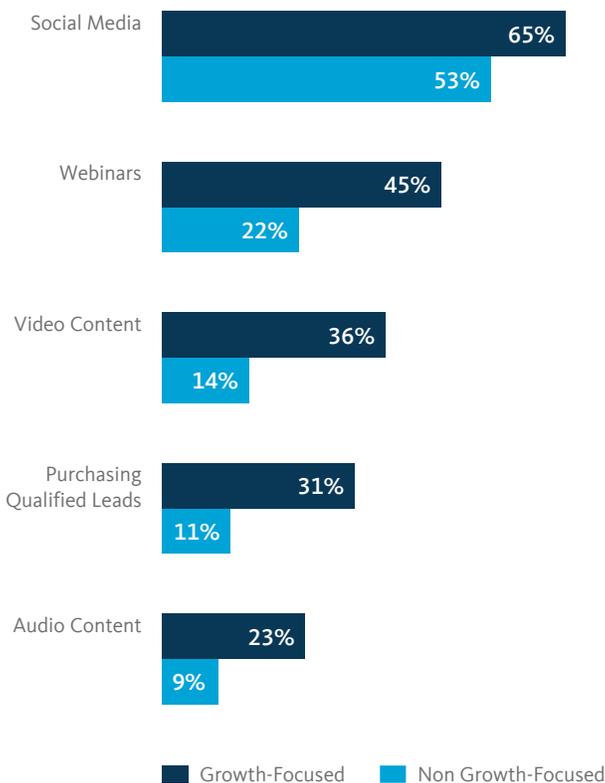
Plus, growth-focused advisors closely track marketing ROI. Learning which elements deliver the best value helps these advisors consistently fine tune their plans.

AREAS OF INVESTMENT

A greater percentage of high performers invest more in marketing than their counterparts. They also are more likely to make technology and digital investments, with social media, webinars and video content leading the list.

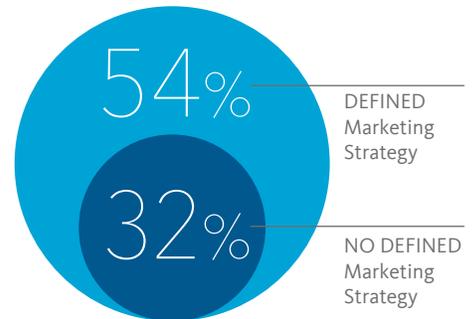
CURRENT AREAS OF MARKETING INVESTMENT

Social media, webinars and video content are the preferred areas of marketing investment for advisors.



Advisor social media marketing trends remain consistent—37 percent achieved lead conversion in 2020 compared to 34 percent in 2019. Relatedly, advisors with a defined marketing strategy see higher rates of lead conversion overall from social media.

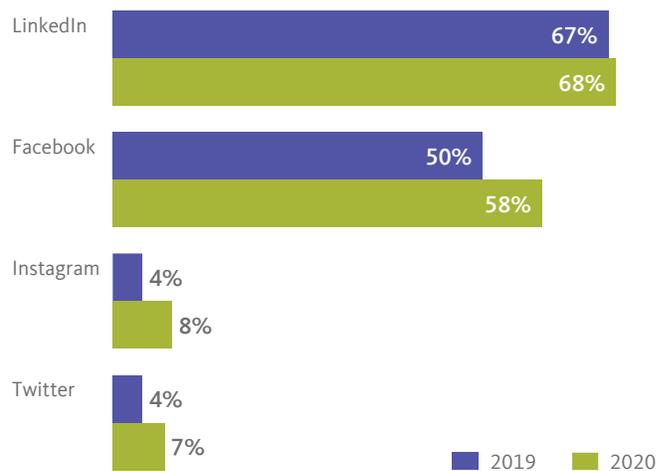
OBTAINED A LEAD THAT BECAME A CLIENT THROUGH SOCIAL MEDIA



Advisors who obtain leads through social media still prefer LinkedIn (68%) and Facebook (58%)—a trend likely to continue in 2021. Although small in numbers, lead conversions through both Instagram and Twitter nearly doubled. This could be signaling the start of a new trend.

SOCIAL MEDIA PLATFORM LEAD CONVERSION

LinkedIn and Facebook are the preferred social media channels of advisors—a trend likely to continue in 2021.



Regardless of platform, digital channels are primed to deliver marketing ROI for the prepared advisor and will be a key part of any long-term strategy.

PART 3: DIGITAL TOOLS EQUIP ADVISORS TO DELIVER INNOVATION



Considering the perennial challenges facing advisors, how should outreach efforts be restructured to increase AUM?

Implementation of an effective marketing plan begins with a thorough assessment of how firms and advisors use data. Poor data quality and access can limit the effectiveness of digital tools. Capturing and leveraging quality data is essential for reaching and exceeding growth targets.

ACCELERATE WEBSITE OPTIMIZATION

With websites averaging a two percent visitor conversion rate, maintaining a dynamic website that serves as a prospecting platform is an ongoing challenge for most advisors. Equipped with a marketing plan, high performers generated an average of two times more leads from their websites than their counterparts each month. Advisors who use data to understand the needs and expectations of their target clients will be better able to develop a referral-ready website that motivates investors to act.

Robust data allows advisors to identify what drives prospects to their website. Integrating CRM further boosts analytics capabilities. Research shows that mobile websites which load in five seconds or less retain visitors for 70 percent longer than their slower counterparts.²

Advisors indicate that websites (34%) nearly match in-person events (35%) as one of the two most effective marketing strategies in 2020. Since no one is sure when we will return to in-person events and activities, or to what degree, advisors should remain flexible in adapting to an increasingly virtual environment.

Website experience is as powerful as in-person events

Advisors indicate that websites (34%) nearly match in-person events (35%) as one of the two most effective marketing strategies in 2020.

Over the next 12 months, advisors anticipate prioritizing marketing investments in digital media ads, social media and websites. This further emphasizes the importance of optimizing advisors' websites to maximize marketing dollars. Websites and social media were among the top three priority areas in 2019 and 2020.

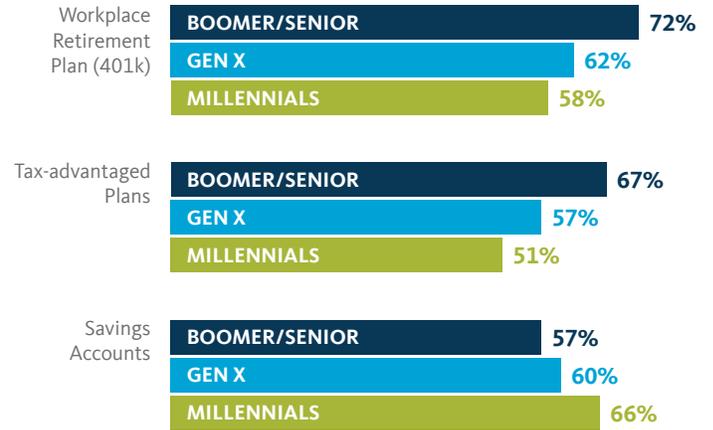
Digital marketing tools equip advisors to deliver innovation

Advisors who execute marketing without a roadmap risk falling far behind the competition. With the majority of advisor websites needing optimization, investing in the right tools will position your digital presence to drive AUM.

New technologies such as AI, cloud and digital applications enable advisors to use intelligent prospecting to optimize prospect-to-client conversion. Feeding quality data into an automated platform leads to smarter targeting, segmentation, nurturing and conversion. Engagement metrics assess marketing ROI to adjust approaches and improve performance.

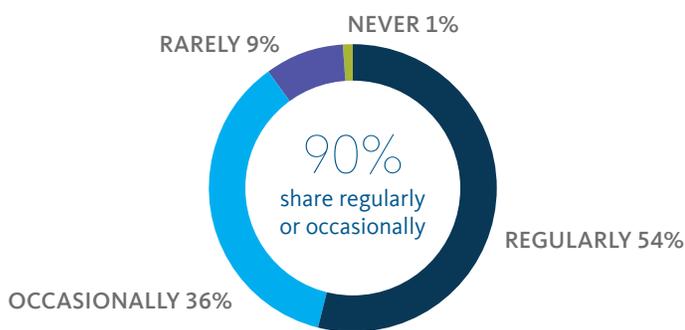
PERSONALIZE CONTENT BY GENERATION

Reflecting 2019 trends, Boomers and Gen X comprise the majority of advisors' target client base in 2020. It's essential to engage each target prospect and client via the channels they prefer, with the content they need. For example, Boomers' top areas of interest include workplace retirement plans (72%) and tax-advantaged plans (67%). In contrast, Millennials have a greater interest in traditional savings vehicles.³



Consistent delivery of content that appeals to prospects and clients is only the first step. Ensuring that readers learn something of interest from your content raises the bar. 90 percent of advisors deliver educational content regularly or occasionally.

EXTENT SHARING EDUCATIONAL CONTENT



The right technology will automate consistent delivery of content that is relevant to both clients and prospects. Advisors with limited time to execute marketing efforts can leverage technology to expand capacity and improve marketing ROI.

SOCIAL MEDIA AND DIGITAL ADS

A robust multi-channel marketing strategy is an industry best practice—social media and digital ads continue to offer valuable marketing ROI. Consistent, relevant posts will encourage repeated engagement and drive website visits. Advisors should upgrade their posts with short engaging videos, which have been shown to outperform all other forms of content.⁴ Retargeting ads complement other digital activities by consistently driving traffic back to the advisor’s website. These digital ads boost the likelihood of prospect-to-client conversion by 70 percent.⁵



THE RIGHT SUPPORT CAN HELP IMPROVE DIGITAL MARKETING IN 2021, AND BEYOND

Growth-focused advisors were prepared to meet the unprecedented challenges facing wealth management in 2020. But it’s evident there are opportunities for all advisors to improve marketing efforts. While effective data-driven digital marketing requires strategy, it can be achieved with the right support.

Broadridge digital marketing solutions accelerate innovation.

-  Deliver a more relevant and personalized client experience
-  Attract more prospects and captivate investors

As a trusted industry partner, Broadridge delivers the tools and strategies advisors require to bridge the gap between digital and in-person engagement. Learn how you can tap into a wealth of proven resources and expertise at broadridge.com/financial-services/wealth-management/



To scan, simply open the camera app on your mobile device and point the camera at the QR code.

ENDNOTES

- ¹ Wealth and Asset Management 2022: The Path to Digital Leadership: <https://www.broadridge.com/report/wealth-and-asset-management-2022-the-path-to-digital-leadership>
- ² Omnicore, 2018 (Seven steps for increasing your discoverability online)
- ³ Decoding the Millennial Mindset: https://www.broadridge.com/_assets/pdf/broadridge-cgk-millennials-study-white-paper-final.pdf
- ⁴ Promo, Video Ads vs Image Ads: A Comparison: <https://promo.com/blog/video-vs-image>
- ⁵ These 2018 Retargeting Statistics Prove It Works: <https://www.readycloud.com/info/these-2018-retargeting-statistics-prove-it-works>

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