Driving client acquisition

New study: Marketing practices of Growth-Focused Financial Advisors
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.
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%
20+ New clients last year

ALL OTHER ADVISORS
16%

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

GROWTH-FOCUSED ADVISORS
$297M Average assets under management

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.

Primary focus: Services
- Financial Planning: 9% Growth-Focused, 8% Others
- Equally Focused: 18% Growth-Focused, 13% Others
- Investment Management: 21% Growth-Focused, 15% Others

Primary focus: Age groups
- Millennials (22-37): 15% Growth-Focused, 10% Others
- Gen-X (38-53): 53% Growth-Focused, 49% Others
- Boomers (54-72): 82% Growth-Focused, 83% Others
- Silent/Senior (73-90): 14% Growth-Focused, 19% Others

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

1. Website
2. In-person events
3. Social media
4. CRM system

A SUBSTANTIAL PERCENTAGE PLAN TO INVEST IN DIGITAL MARKETING.

Anticipated increase in advisors investing in:

<table>
<thead>
<tr>
<th>Channel</th>
<th>Growth-Focused</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td>+ 20%</td>
<td>+ 18%</td>
</tr>
<tr>
<td>Digital advertising</td>
<td>+ 15%</td>
<td>+ 13%</td>
</tr>
<tr>
<td>Search engine optimization (SEO)</td>
<td>+ 11%</td>
<td>+ 8%</td>
</tr>
</tbody>
</table>

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**
  - <$250: 8%
  - $250-499: 24%
  - $500-999: 29%
  - $1000-1999: 13%
  - $2000+: 23%

- **Others**
  - <$250: 17%
  - $250-499: 23%
  - $500-999: 13%
  - $1000-1999: 13%
  - $2000+: 23%

**Average Cost:**
- **Growth-Focused:** $1451
- **Others:** $895

**They Achieve a Higher Level of Assets Under Management.**

Assets under management

- **Growth-Focused**
  - $10M-<20M: 8%
  - $20M-<50M: 14%
  - $50M-<100M: 18%
  - $100M-<200M: 20%
  - $200M-<500M: 27%
  - $500M+: 27%

- **Others**
  - $10M-<20M: 24%
  - $20M-<50M: 17%
  - $50M-<100M: 23%
  - $100M-<200M: 13%
  - $200M-<500M: 13%
  - $500M+: 10%

**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**
  - 20+: 43%
  - 10-19: 38%
  - 0-9: 18%

- **Others**
  - 20+: 16%
  - 10-19: 41%
  - 0-9: 43%

Due to rounding, the percentages above may not total 100%.
They're more likely to track marketing effectiveness in terms of revenue.

Growth-Focused

55%

Track marketing spend vs. revenue

Others

42%

Plus, they're more confident in their ability to meet their goals.

72%

of Growth-Focused Advisors feel 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.

<table>
<thead>
<tr>
<th>Annual marketing spend</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth-Focused</strong></td>
<td><strong>Others</strong></td>
</tr>
<tr>
<td>0%</td>
<td>52%</td>
</tr>
<tr>
<td>&lt;$5,000</td>
<td>41%</td>
</tr>
<tr>
<td>$5,000-9,999</td>
<td>18%</td>
</tr>
<tr>
<td>$10,000-19,999</td>
<td>26%</td>
</tr>
<tr>
<td>$20,000+</td>
<td>33%</td>
</tr>
</tbody>
</table>

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

24% Spending 7% or more of revenue
9% All others

THEY ALSO DEVOTE MORE OF THEIR MARKETING DOLLARS TO ACQUISITION.

Almost all Growth-Focused Advisors focus their marketing dollars on acquisition.

33% A third of other advisors spend the majority of their marketing funds on other activities.
GROWTH-FOCUSED ADVISORS MORE FREQUENTLY INVEST IN (OR PLAN TO INVEST IN) VIRTUALLY EVERY CHANNEL.

### Marketing channel usage

<table>
<thead>
<tr>
<th>Channel</th>
<th>Growth-Focused current investment</th>
<th>Growth-Focused planned investment</th>
<th>Others current investment</th>
<th>Others planned investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>81%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-person events</td>
<td>75%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social media</td>
<td>42%</td>
<td>18%</td>
<td>56%</td>
<td>20%</td>
</tr>
<tr>
<td>CRM system</td>
<td>41%</td>
<td>7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising in digital media</td>
<td>33%</td>
<td>13%</td>
<td>41%</td>
<td>15%</td>
</tr>
<tr>
<td>In-house marketing staff</td>
<td>14%</td>
<td>11%</td>
<td>27%</td>
<td>16%</td>
</tr>
<tr>
<td>Outsourced marketing staff</td>
<td>14%</td>
<td>11%</td>
<td>25%</td>
<td>14%</td>
</tr>
<tr>
<td>Advertising in print media</td>
<td>27%</td>
<td>4%</td>
<td>21%</td>
<td>3%</td>
</tr>
<tr>
<td>Direct mail</td>
<td>21%</td>
<td>16%</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>Webinars</td>
<td>21%</td>
<td>13%</td>
<td>6%</td>
<td>14%</td>
</tr>
<tr>
<td>SEO</td>
<td>11%</td>
<td>8%</td>
<td>24%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Cracking the marketing code

TODAY’S ADVISORS CONTINUE TO STRUGGLE WITH MARKETING.

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

MOST LACK A WELL-DEFINED STRATEGY.

GROWTH-FOCUSED

- Have a defined marketing strategy: 42%

ALL OTHERS

- Have a defined marketing strategy: 24%

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

Most effective marketing channel

- Growth-Focused
- Others

1. In-person events
2. Website
3. Social media
4. In-house marketing

Among all advisors, there’s room to improve marketing effectiveness.
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 broadridge.com/winnewbusiness

“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

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.