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Why branding is too important for advisors to ignore

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How does the concept of brand-building apply to financial advisory services? (Aad Goudappel Illustration)

Over the past 10 years, the constant barrage of **branding** advice for financial advisors has bordered on obnoxious. Even solo advisors have been dreaming up impressive names for their firms and work processes so they can trademark them. But how does the concept of brand-building apply to financial advisory services?

What and why

The importance of brand names for products that are competing regionally, nationally or globally is easy to understand. Marie Swift, president and CEO of marketing communications firm Impact Communications, Inc. in Kansas City, Kansas, defines a brand as “how the world experiences, understands and describes who you are.”

Every business has a brand, she says, whether the owners recognize it or not. And despite the annoying buzz over branding, the marketing principles behind the idea make sense because, as Swift points out, in the age of **robo-advisors** and increased competition, advisors face a “crisis of **differentiation**.”

Consequently, advisors need to think clearly about who they are and why people should care about the advisor's business. "If they can't be crystal clear about their brand, articulate it and have it shine through in everything they're doing to portray themselves and their firm, they're

going to start losing market share," she cautions. "They're going to be less relevant and won't be as compelling as a resource for the people they're targeting."

The process

Recognizing that **brand-building** can help your business grow is the first step; however, actually creating that awareness takes a consistent effort. The initial stage requires self-examination, says Swift. Advisors need to clearly identify their personal values, along with the firm's mission and competencies. That understanding will form the core of the firm's message, so it needs to be expressed directly and precisely.

"The foundational words that run through everything are very, very important so that everyone on the team can repeat them and, in fact, clients and strategic partners can also repeat those key phrases and foundational purpose-driven elements," she says. "That's the foundation of the brand."

The next stage is to make the recipients of the message care. But how can an advisor create an emotional attachment around the delivery of financial advice and products?

People are highly emotional about money, Swift points out. They care about more than investment returns. They also think about control, legacy, philanthropy, security or some combination of these concerns.

Advisors can use language that links their message with their target audience's values so that prospects and clients begin to see the association between their values and beliefs and those of the firm.

Drawing an analogy from automobile marketing, Swift cites the difference in espoused values and markets between Jeep and Porsche. Similarly, advisors with a particular set of values and expertise should stake a claim as the brand for that market.

"Try to be the Porsche of your community or the Jeep of your community," she suggests. "I think it hinges a lot on the founders [but] in many cases, as the firm grows, the culture of the organization could shape and shift over time."

She cites the example of her Salt Lake City-based client, Soltis Investment Advisors, LLC. One of the firm's business goals is "to create brighter futures for people who are family stewards and help them with their legacy planning."

The idea of being family stewards and good community citizens is evident in the firm's work with individual clients and retirement plans. "They are the individual values of those who make up the

firm and those are the kind of clients that they're seeking to attract," Swift explains. "Everything the firm does articulates those values."

Deciding to specialize

The financial crisis of 2008–2009 hit many retirees' finances hard, especially if their retirement income was linked directly to the value of their investment portfolio.

Robert Klein, CPA, CFP, RICP, founder and president of Retirement Income Center in Newport Beach, California, realized he needed the ability to help clients cover their expenses with secure income regardless of the investment markets' behavior. The goal, he says, was to give clients a greater sense of comfort and security.

Across the country in Rochester, New York, Steven Schwartz, CPA, JD, PFS, founder of Wealth Design Retirement Services Inc., had reached a similar conclusion. He had made "very good investment choices" pre-crisis and was confident values would recover eventually, but retired clients' portfolios weren't designed for the "withdrawal stress" they were experiencing during that period, he says. After the crisis, both advisors decided to refocus their businesses on retirement income planning.

Klein's company had operated as Financial Design Center for 13 years and while that title conveyed that the firm was a financial services business, he didn't believe the name highlighted his emerging retirement income planning specialty. Consequently, in 2011 he changed the name to Retirement Income Center.

"I said if I want to brand myself properly, it needs to start with the name," he explains.

The name change was just one part of an ongoing repositioning and **rebranding** effort, however. Klein had started focusing more on retirement income products such as fixed income annuities and emphasizing the importance of "planning, managing and protecting" income. That phrase became part of the company's trademarked tagline, "Planning, Managing, and Protecting Your Retirement Income™."

Schwartz changed his firm's name from Wealth Design Services to Wealth Design Retirement Services about two years ago as the result of a marketing consultant's review of his business. The firm also developed its pension-up process to highlight its retirement income work. The goal of the process is to help recreate "that paycheck you receive from work in your retirement years," according to the firm's Jamie Block, CFP, CPA.

Changing a firm's name to emphasize retirement planning risks can be a gimmick if the organization's staff lacks the requisite skill sets. Assuming that's not the case, a name change does demonstrate commitment to a financial specialization. That sort of increased precision in branding helps with target marketing, says Swift. She draws a parallel with medical care.

Most of us work with a general practitioner for overall health concerns but when something

more serious develops, we go to a specialist. It's the same thinking with financial advice.

"If people see you as a specialist, and the best of that kind of specialist, they're going to be drawn more to you as a service provider, as a resource for them," she says. Clients seek "someone who really understands not just the retirement planning and distribution needs, but also the kind of human being that you are or the kind of makeup that you have.

So, if you are, for instance, a self-employed person or a small-business owner, you might be drawn more to a retirement plan advisor who focuses on that type of clientele."

Even before he changed his firm's name, Klein had started his Retirement Income Visions blog in August 2009 with the tagline, "Innovative strategies for creating and optimizing retirement income." That effort was also in response to the stock market's gyrations.

The blog continues to play an important role in his company's website. In addition, Klein became one of the earliest enrollees and graduates of the American College's Retirement Income Certified Planner program and he contributes as a RetireMentor for MarketWatch.com.

These branding efforts reinforce each other, says Klein. He uses **social media** sites like Twitter and LinkedIn to drive traffic to the blog. His retirement income planning articles for MarketWatch also link to his blog and have built up its readership. Various media appearances have also led to opportunities with radio talk shows, which in turn feed back into the cycle.

Not a panacea

Block reports that Wealth Design Retirement Services' redesigned website draws more traffic and inquiries from prospects than its predecessor, although the prospects' profile has not changed. Similarly, Klein has experienced greater interest in retirement income planning from both clients and prospects. He attributes this at least partly to an increased awareness among the public of retirement income planning as a specialty.

Still, Klein avoids attributing too much importance to branding. "You have to be realistic with all the branding and marketing stuff and realize there's only so much in your control," he says. "You need to do the best you can to portray yourself the way you want to portray yourself and attract the kind of clients you want to attract and constantly keep your name out there. But, in terms of expectations of translating that to actual numbers of new clients and certain types of clients, you have to be careful about that. There aren't necessarily direct correlations."

An advisor's decision to develop a brand requires a focus on all aspects of the business operation because inconsistency in communications, look, language and feel are a mistake, says Swift. Everything the advisory firm does "should reflect the values and the brand, that brand essence, that foundational question ... of who are you and why should people care? Everything should drive back to that and just be consistent. Make sure that all of the visuals are in sync and

that the language is in sync. It's the inconsistency and the lack of attention to detail that are the two biggest mistakes."

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