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Recession proofing your marketing

LEYLA BANAEI says now is the most important time to be focusing on your practice's marketing using six simple tips.


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As we venture deeper into uncertain economic times and perhaps even a recession, most financial planning practices are cutting costs and wondering how they can make every cent spent on business activities count. Retaining the client base but also continuing to attract more clients into the business in these volatile times is a priority and essential for remaining profitable and surviving the storms ahead.

To survive, now is the time to revise your marketing strategy and increase your marketing rather than stop to save costs. While most advisers will be pulling back, cutting marketing budgets and stopping any marketing activities all together, you can beat the imminent recession and double your return on investment by engaging in more focused marketing activities. And it doesn't necessarily have to cost you more. It just means changing your focus.

The key to recession proofing your marketing in these times of economic downturn is to make it targeted, relevant and consistent. Of course, this formula should also be followed in the good times. Set out below are six areas to focus on for getting the most out of your marketing efforts in an economic downturn and for preparing yourself by recession proofing your practice's marketing activities.

1. Message to market match

Do the marketing strategies that you have been using to date work and work really well according to results and feedback from your client base? If so, it is obvious that you are communicating your message clearly and your target market is receiving the message in a positive way. Therefore, the same strategies should be applied now and should survive in a recession and still produce good results.

However, if you have been using the 'hit and miss' approach with your marketing message, spending thousands of dollars with a low return on investment, then it is time to change tact.

Your marketing must become focused and relevant to your target audience to make every dollar invested in marketing activities count. As we move through these turbulent times, the only tools your practice has with which to set yourself apart from the rest of the market are the clarity of the message that you are sending out to your targeted audience and what perceived value this message relays to them. Otherwise, like most financial planning practices, your services are in danger of becoming a commodity (bought on price alone).

The first step is to identify a niche or specific client type. When you have successfully determined who your target market is, the next thing you must do is construct the right message for your target market. You must speak according to their needs and do away with other irrelevant details. Your target market will not really care about your business unless they see that it will be beneficial to whatever it is that they are doing. Your message is important. And it must be specific and convincing if you want it to work.

In times like these you have to make every move count. Becoming targeted is focusing on your niche and your target client type, offering them exactly what they need by communicating the benefits of your service and the outcomes they will experience by engaging with you clearly.

With 'message to market match' strategy, timing is of the essence. It is not enough that you have laboured to construct the right message. A very important factor is also the timing of the delivery of your message. You must be able to study trends and patterns within your target market to be able to use this. This is something that can be extremely powerful as you communicate your tailored message at the right moment. This means offering relevant solutions to your target clients' current problems and focusing on the outcomes they are seeking. Doing this consistently means that you will position yourself as the 'go to' person for your target market.

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Constructing your marketing message in this way produces results and profits, even in times of recession.

2. Position yourself – have you got a CVP?

You need to be very clear on your position in the marketplace, especially in a market downturn, when everyone and everything seems so confused. Work out what value you offer, who you offer it to (target market) and what you stand for. Whatever you do, do not sit on the fence and try and be everything to everyone. It is important to have a clear, sustainable and 'unique' client value proposition that speaks to your target clients and differentiates you from the rest of the pack.

Marketing is often defined as educating your clients and prospects to understand and appreciate the benefits of what you offer them in terms of products and services and for them to desire the benefit your products and services gives them. Then you convince them that you are the best adviser that can assist them with this.

The underlying strength of your marketing lies in the

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value proposition that is communicated to your clients. What are the unique benefits of the products and services you offer to your clients? What value do you add to your clients? How is it that you enhance their life, especially in the current economic climate? And why should they continue to do business with you?

Your ability to recession proof your marketing comes down to not only having a focus on client relationships but also knowing your client value proposition (CVP) inside and out.

In our line of business, financial planning, satisfying the client is the key for consistent revenue generation, whether in times of economic boom or recession. You must really stand out from the crowd to attract, satisfy and retain your clients.

Many financial planning practices attempt to satisfy clients by offering a wide range of products, regular reviews, regular newsletters or other tangible services. However, the CVP is very much focused on the outcomes that are experienced by your client as a result of these. So your services and products are the drivers of these outcomes experienced by the client.

Generally, it is the outcomes experienced that see clients returning or referring new business. Generally, the 'value' a client believes they receive is equal to the outcomes they experience. Having a CVP will allow you to have a consistent expression of the promises and messages that you communicate to your clients, even in a downturn. It is your business' way of articulating the benefits of your services from the client's point of view, focusing on their experience.

In times of market downturn clients are often confused, anxious and worried, not knowing what to do and who to trust. Most advisers have a vague and generalised service offering which sounds the same as what everyone else offers. This does not assist in helping clients see the value or benefit offered through what seems to be the same products and services that every financial adviser provides. And it does not assist in differentiating an individual adviser from the pack.

So this is as good a time as any to polish your CVP, or to create one if you don't already have one, and to start communicating it clearly and consistently to your target market, getting ahead of your competitors while they are focusing on laying low and wondering what to do.

3. Staying in regular contact

Are you talking to your clients regularly? Have you increased the frequency of your regular contact with your clients since the market downturn commenced and the predictions of a coming recession increased?

If you haven't started to call your clients or to call them more often, start now. It is time to fall in love with your clients all over again. Falling in love with your clients means understanding, empathising, educating, relating to, helping, appreciating, advising, coaching, contributing and adding value. Now is the best time to revive that relationship and show you really are there for them.

How you manage and develop your existing client relationships today will determine their fate in the recession ahead and their retention by you beyond the recession. In these turbulent times, opportunities to strengthen and solidify client relationships are boundless. This is really the time to master them, gain confidence and become the trusted partner and coach you need to be for your clients. Everything you do proactively for your clients now will position you even more strongly when the market shifts and becomes healthy again – constant contact is a big part of that.

As a mentor and coach, I often hear of the pain advisers experience developing a deeper and lasting relationship with their clients, even when markets are good.

To many advisers' surprise, when things start to go 'pear shaped' during tough times it actually becomes a lot easier to strengthen the connection they have with their clients, as they have a very good reason to be picking up the phone and calling them – that reason being looking after their welfare and ensuring their comfort and security in these turbulent times. Staying in regular contact shows your clients that you are there for them and that you care, and while you may not have a crystal ball, you are not afraid to weather this storm by their side. This puts an emphasis on the client relationship, which is part of the perceived 'value' clients are after.

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Positioning yourself as the trusted partner and coach of your clients – a sounding board in these tough times – seems like common sense, but is often overlooked. And it starts with a simple phone call.

When the good times are back, and they will be, your clients will be much more loyal if you have supported them through these tough uncertain times by lending an ear, some insight and your perspective on the situation by being proactive and contacting them. The insight and perspective you will gain in return will help you tremendously in understanding your clients and working with them well into the future.

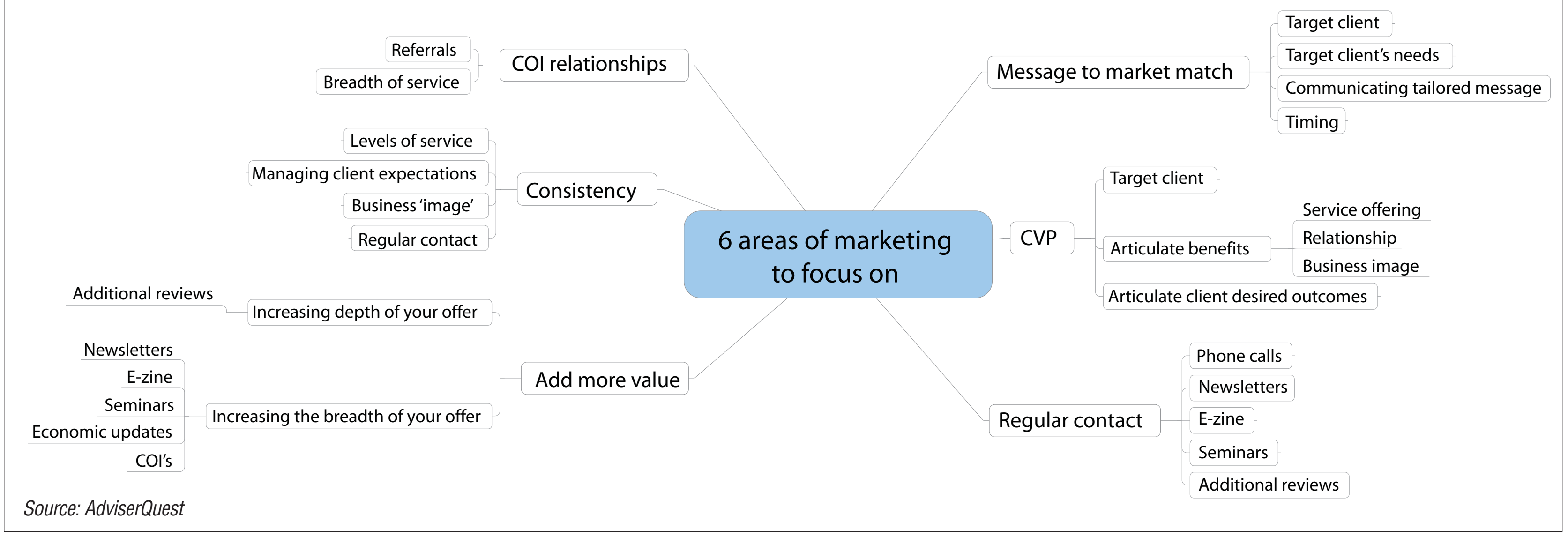
4. Add more value – increasing the depth and breadth of your offer

At a time when most financial planning practices are cutting costs and laying low, waiting for the down cycle to end, you can be proactive by adding even more value to the existing services that you offer your client base.

You can do this either by increasing the breadth of your services or focusing on offering more value to the depth of your services. Adding to the breadth of your services involves being innovative and increasing your offerings in a manner that is relevant to the needs of your target market. Increasing the depth of your services also requires a commitment to the needs of your target market and offering extra value on existing services.

For example, adding to the breadth of your services may include sending out regular e-zines or newsletters, if you don't already do so, to keep your clients abreast of the happenings in the global economy and how this will affect them specifically. This will be even more effective if you are working with a specific target market and know

SIX AREAS OF MARKETING TO FOCUS ON



Source: AdviserQuest

exactly what are the concerns and issues they are seeking solutions to.

Free information seminars are also popular and perceived as valuable, especially when you can give clients an idea if what is happening in the markets right now and how this will impact them. If you have a target market that you work with you can certainly tailor this to really address their specific issues and concerns.

To add depth to your existing services you can offer clients extra reviews or a 'health check' so they do not have to wait for their scheduled annual review, giving them a feeling of comfort and peace of mind that the economic downturn has not had any adverse affects on them and that they are still on track. You can make this complementary. Even if it is only for 20 minutes clients will appreciate the contact, and this will definitely have a positive impact on the relationship.

Alternatively, if these ideas don't suit your practice or you are already engaging in them, to come up with relevant activities to broaden the depth and breadth of your offer simply ask your clients what they would like you to provide more of. This sounds like common sense, however, it is completely overlooked by most advisers. This is the best way to develop 'value adding' services using a targeted approach that is tailored to your client base.

5. Be consistent – no matter how bad it gets

Being consistent means presenting yourself and your practice in a consistent manner to your clients. This means maintaining a consistent level of service, being consistent in managing client expectations, and presenting a consistent 'image', whatever that desired image is you would like your clients to see.

Just because the markets are not consistent does not mean that you also become complacent in your service and offerings. Always be thinking about how you can provide your services in a consistent manner to deliver the same client experience each and every time.

Being consistent also means knowing and following industry best practices. This means consistently offering high standards of service by knowing your client expectations and meeting them.

Consistent means following up – this is where 90 per cent of businesses fall down on the job. For the past decade or so, research has regularly shown that a potential customer has to hear from you about six times before they will buy. That's six individual instances of calling, mailing, visiting or being seen in advertisements by prospects before they're ready to do business with you. Ninety per cent of businesses quit following up after the fourth contact. Success comes from being the 10 per cent that follow up more than four times. Amazing, isn't it?

6. Utilise the power of your COI relationships

Centres of Influence (COI's) are a great referral source and usually a more cost effective way of acquiring clients. If we take accounting practices for example, since there are more accountants than financial planners, they are one of the best sources of financial planning referral business.

Add to this the problem accountants face in that they know they need to deliver financial planning advice to their clients, especially during the current downturn, when clients are anxious and have plenty of questions regarding their situation.

It is easy to see that advisers can provide a solution to accountants' dilemmas as well as the opportunity to tap into a productive source of qualified new clients who do not require any capital outlay.

This is a great time to be getting back in touch or joining forces with your COI and assisting each other to make sure you are both generating new clients by way of referral and delivering the highest standard of service and reassurance to your clients in the areas that you specialise in.

If you are getting back in touch with your COI, ensure they are very clear about your client value proposition and the benefits you are offering in this current economic climate. Ensure you understand the challenges they have been facing with their clients and provide them with specific solutions or special packages that they can offer their clients to assist you.

In conclusion, it is important to consider that your client base may shift during these down times. You may find you are not servicing the same clients you always have – that's okay. Clients will remember you in the upturn if you are consistently understanding and not defensive during the downtime, if you really listen to them and stay in contact anyway. Stay grounded and compassionate. Remain consistent and keep adding value by remaining up-to-date and relevant. Clients want to know they can rely on you every time. That is a big value proposition in itself. And keep up your marketing efforts. Now is not the time to stop.

Leyla Banaei is the founder of AdviserQuest, a specialist training and professional development provider established for advisers, by advisers. This article is adapted from her new book, Adviser's Pocket Guide to CVP, due for publication this year. www.adviserquest.com