

● PRACTICE MANAGEMENT

Client cheerleaders

Good advisers know how to put a smile on their clients' faces, but how can this goodwill be harnessed to generate new leads for their practice?

STORY/ Stefanie Garber

MANY ADVISERS pour money into marketing campaigns but overlook a major opportunity for promotion that is both free and in plentiful supply: their existing clients.

A 2013 Nielsen poll found that recommendations from friends or family are the most trusted form of 'marketing', with 84 per cent of poll respondents indicating they completely or somewhat trust recommendations from these sources.

Branded websites came in second place and consumer opinions posted online came third, winning the confidence of 68 per cent of respondents.

These results indicate client endorsements can have a significant impact on a firm's bottom line. To take advantage of this opportunity, advisers need to encourage clients to sing their praises and then to broadcast this chorus to the general public. The question is 'how?'

Strategies for promotion

Traditionally, lead generation through existing clients comes primarily via referrals. Sarah Riegelhuth, co-founder of Wealth Enhancers, says these networks have been a key factor in her firm's expansion.

"It is very much a relationship business that we are in, and building great relationships with your clients is the first step to getting them to refer new clients to you," she says.

However, there are also less explicit ways in which existing clients can lead you to new connections. Business

consultant Kim Payne of 9rok Consulting believes word-of-mouth advertising, including written testimonials and verbal endorsements, are an untapped resource in financial services.

"I think a lot of advisers underestimate the power of it," she says.

Previous client experiences can help people identify the value of financial planning to their own lives, according to Catherine Robson, principal of Affinity Private.

"It gives clients more insight into the sort of person the adviser specialises in and makes them think they will get the sort of service they need," she says.

Real life stories were ranked as the second most resonant form of marketing in the Nielsen poll – after ads using humour. This suggests consumers are more likely to remember a personal story than a plug for the adviser's services.

Asking for testimonials may also have psychological benefits – 9rok Consulting's Ms Payne suggests it affirms the value of your work to the client.

"When you make them write it down, it reinforces why you have been so valuable in their life and gives them the idea. 'Aha, I have to go tell others about this,'" she says.

"It's a great trigger to remind them of why they're with you, why they stay with you, why they pay you and of course, why they should refer you."

A newer form of client advocacy is recommendations on social media. Positive feedback provided via LinkedIn or Facebook can be amplified beyond your

client's immediate networks, Ms Payne suggests.

"What social media does is put that whole process on steroids. One person likes it, and 10 of their friends like it, and 10 of their friends..." she says.

Ms Robson sees social media as a crucial element of building the adviser's brand.

"I validate what I know against other information I see on Twitter, LinkedIn, on the website. It all adds up to a picture that makes it seem like they might be the right adviser for me," she says.

Asking for help

Many advisers feel uncomfortable at the prospect of approaching their clients for endorsements, Ms Payne suggests. Clients, however, rarely turn down the opportunity to help.

"People, when they have a good experience, want to share that with others but often they don't know the best way to do it," Ms Payne says.

"When you have a satisfied client and you facilitate the process, you're going to get that word of mouth out there much easier."

Advisers may be less intimidated about asking for an endorsement if they do it as part of a set procedure, such as mentioning the topic during every annual review, Ms Robson suggests.

"It's about building it into a process so that it's comfortable for everyone," she says.

Advisers might also consider hand-picking clients with whom they have the strongest relationships to ask for testimonials, Ms Riegelhuth

suggests. When proposing the idea, however, she believes in giving the client an 'out'.

"Say that it's totally fine if they would prefer not to be involved. Being in the business we are in, we understand that some people prefer not to talk about things like financial advice publicly," she says, but adds that "most people will still say yes".

Ms Payne suggests opening the request with a reminder of how your practice has helped the client in the past.

"It's about reciprocity," she says. "If you position asking for a recommendation or a testimonial with what you have done first, it gives you the right to ask for the testimonial back."

In addition, giving the client a clear structure to follow generally results in a more powerful testimonial, Ms Payne believes.

"If you just ask a client to write a testimonial, that's dangerous. They don't often think to write the way you want to promote it," she says.

Her suggested template asks the client to describe their situation, the actions of the adviser and the end results. In her view, outcomes-based language is more compelling than a description of how "nice" or "helpful" the adviser is.

Ms Robson agrees, suggesting testimonials that simply list an adviser's merits without context can seem overly generic.

"It doesn't have an anchor for people to go, 'that's the sort of person I am and that's the sort of help I need,'" she warns.

To lend the testimonial legitimacy, advisers should include a name, title and photo of the person concerned, Ms Payne says. Ideally, a video testimonial is the most credible approach because viewers can see whether it has been doctored, she believes.

Sweetening the deal

Some advisers offer a reward to clients who promote them – a discount in exchange for a referral or a prize for the 100th Facebook like. However, this approach can also backfire.

"We have tried several incentive programs over the years, including discounting our engagement fee for the person who is being referred," Ms Riegelhuth says.

"We have found the most



"YOU WANT TO BE WITH OTHER PEOPLE THAT ARE EXPERIENCING SOMETHING GREAT"

Kim Payne, 9rok Consulting

successful approach to actually be showing genuine gratitude and thanks."

Incentive programs could even deter some people from providing a recommendation, according to Ms Robson.

"If your next-door-neighbour says, 'would you mind popping over and helping me move the washing machine', you're happy to do it as a friend," she says, "but if the next-door-neighbour says, 'I'll pay you \$200 to come move my washing machine', it feels really different. It feels like a commercial relationship, and you might think, 'Pay a mover to do it!'"

Instead of a formal incentive scheme, Ms Robson prefers spontaneous gestures like sending a card or treating the client to dinner.

"People don't refer to us because they're expecting some sort of

reward for themselves; they do it generally because they want to," she says.

To Ms Payne, the quality of the adviser's service should be incentive enough. In her view, there is already a sense of quid pro quo in the relationship because the adviser's service has benefitted the client.

"The sole justification for asking for a testimonial or recommendation is that you have done something that has put them in a better position than they would have been without your help," she says.

"As long as you can remind them of what you have done, that should be enough to make them want to help."

Building a community

Clients are more likely to promote your services if they feel

included in a broader movement, Ms Riegelhuth believes. WealthEnhancers regularly holds events to give their largely Gen Y clientele an opportunity to mingle.

"We have always focused on building a community of like-minded people and this has proved to be an excellent approach. We have more to offer than just financial advice," she says.

Engaging clients, both with the business and other professionals, helps foster a sense of belonging and enthusiasm, according to Ms Payne. She calls it the "I'll have what she's having" sensation, a reference to the famous scene in the 1989 film *When Harry Met Sally*.

"When you get that excitement and energy around some great stuff someone is doing, that's where you get people going, 'oh,

maybe I need this,'" she says. "You want to be with other people that are experiencing something great."

However, bonding does not necessarily need to take place face-to-face – social media, including LinkedIn and Facebook pages, can also bring people together, Ms Payne believes.

"If I'm on a website and I see all these people feeling great about where they are because of the relationship they have with an adviser, that creates a sense of community," she says.

Whether it's online or in person, the first step to spreading your message is to have clients who are willing to speak in your favour. To that end, there is no substitute for great service, Ms Robson believes.

"I think the best way is to do a good job," she says. "Nothing replaces delivering what clients want and achieving their expectations." ●