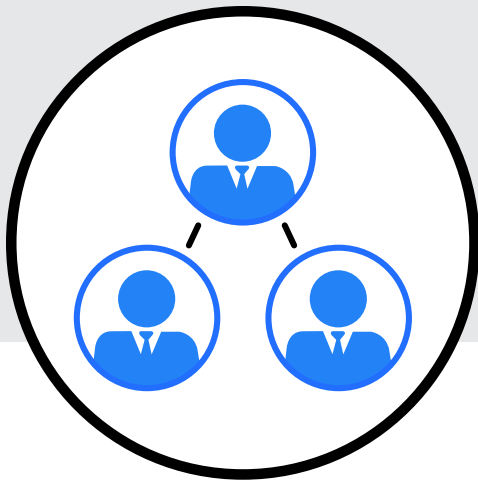




How Financial Advisors Use  
◆ Inbound Marketing ◆  
to Add New Clients



**PALADIN**  
DIGITAL MARKETING



There are four primary marketing strategies that financial advisors use to add new clients, AUM, and revenue:

- *Outbound Marketing*
- *Referrals*
- *Inbound Marketing I*
- *Inbound Marketing II*

The primary focus of this eBook is Inbound Marketing II and how the Internet is changing the way investors find, screen, contact, and select financial advisors.

We start with brief descriptions of the three older marketing strategies that have been used by financial advisors for more than 40 years.



# Outbound Marketing

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Some advisors still use telemarketing and direct mail (Outbound Marketing) to produce new clients. These strategies require them to initiate contact with investors to produce results. This core requirement is one of Outbound Marketing's biggest weaknesses - it is a disruptive marketing process when investors do not want the contact.

How do we know that? Hundreds of advisors described their Outbound experiences as follows:

- *100 telemarketing calls to talk to one qualified prospect*
- *1000 direct mail pieces with a response rate of less than 1%*
- *Expensive seminars with limited attendance and results*
- *The time and expense of affinity marketing and networking*
- *Rejection rates that approached 100%*

New services have made Outbound Marketing even tougher, for example Caller ID and Do Not Call Lists.

Plus, many financial professionals are not comfortable using aggressive marketing tactics to contact people they don't know.

Consequently, over the past few years, Outbound Marketing has become more expensive and less productive.

## Referrals

When advisors abandon Outbound Marketing many of them are left with one source of new business – referrals from current clients, friends, family members, and other professionals.

But, most advisors do not have an effective marketing strategy for producing a steady flow of new referrals.

Consequently, many advisors are not producing enough new clients to offset the various forms of client attrition: Relocation, changes in circumstances, death, and terminations.



# Inbound Marketing I

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Some bigger financial advisory firms have used Inbound Marketing I strategies for years to get investors to contact them. The dominant form of this strategy continues to be advertising: Newspapers, magazines, radio, TV, third party websites, and eventually search engines.

These firms spent millions of dollars creating visibility, credibility, trust, and prospects for their services.

Unfortunately, this original form of Inbound Marketing usually produced lackluster results. That's because most people did not read newspapers to find new advisors.

Search engine advertising (aka SEM) comes closest to Inbound Marketing II. Investors found advisor ads when they entered certain key words in Google: Financial Advisor, Financial Planner, etc. This increased the odds they were seeking financial advisors and not general information about a financial topic.

Google's page one for this form of Inbound Marketing is dominated by big, brand name firms that have substantial advertising budgets (millions of dollars). And, Google doesn't make it any easier when it limits the number of advertisers – the space is getting scarcer and more expensive.

Google has to balance what is best for itself with what is best for its users.

Page two in a search engine is not really an option. Google says 91.4% of its users limit their searches to page one. 4.8% visit page two and 1.5% view page three.

The cost of producing a lead using this marketing strategy can exceed \$500 (based on number of clicks, cost per click, and conversion rates).



## Inbound Marketing II

Inbound Marketing II is a relatively new strategy that replaces obsolete Outbound and Inbound Marketing I tactics.

The foundation of Inbound Marketing II is an Internet-based, search engine optimized process that causes investors to initiate contact with financial advisors.

The Internet makes Inbound Marketing II possible.

Inbound Marketing II works because it is based on the way people establish relationships with new service providers: Find, research, contact, interview, select. This process for establishing new relationships applies to financial advisors, CPAs, attorneys, and any other type of professional who provides specialized advice and services.



# Inbound Marketing Challenges

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Inbound Marketing II is a more cost effective, efficient way to produce new clients, but like any marketing system it has its challenges.

For example, the Internet is the most competitive marketplace on earth. Google's dominance over the marketplace (72% of search traffic) makes it even more challenging. To be successful, you must have:

- *A significant footprint on the Internet*
- *Substantial website traffic*
- *A website that converts traffic into leads*
- *A CRM system that converts leads into active prospects*
- *A sales capability that converts prospects into clients*

There are two keys to an effective Inbound Marketing II strategy. Investors must be able to find you on the Internet or the whole process breaks down. The second key is a website that is designed to convert visitors into qualified leads. Why are these two so important? Internet visibility produces website traffic and websites are responsible for converting the traffic into qualified leads.

Both have their challenges.

Visibility is a challenge because there are thousands of financial advisors in every major market. Website conversion rates are a challenge because investors are predisposed to withhold their contact information. Advisor websites have three minutes or less to convince investors to give-up their anonymity and submit their contact data.



## Two Types of Leads

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The ideal visitors to advisor websites are investors who are currently seeking financial advisors and want immediate contact. We will call them advisor-seekers.

However, a higher percentage of investors are seeking general information about financial advisors or specific information about particular firms before they initiate contact. Let's call them information-seekers.

Since, you don't know what they are seeking or why they are seeking it, you should assume every investor wants to know more about financial advisors before they start their interview processes.

Therefore, your Inbound Marketing system should be designed to produce and process immediate leads (advisor-seekers) and future leads (information-seekers).

Do not under-estimate the revenue potential of the information-seekers. They could be gathering information because they have substantial assets and they are just being cautious. Or, maybe they had a bad experience with a previous advisor and do not want to repeat past mistakes. Or, perhaps they are first time users of advisory services. They want to learn more about advisors before they start their interview processes.

# About Paladin

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Paladin has helped more than 2,000,000 investors make better decisions when they select financial advisors (since 2003). Paladin's lead generation service has produced more than 350,000 (\$160 billion) of qualified leads for RIAs and IARs using Inbound Marketing principles.

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