

Focused on growth

Benchmark study: Advisors turn to acquisition in a reinvigorated marketplace





THE RESEARCH

Online survey of 402 financial advisors with \$10M+ AUM, comprised of:

- 217 Independent broker-dealers
166 RIAs
19 Other
- 215 Sole practitioners
187 Team practice members
- 120 Under 45 years old
119 45-54 years old
163 55 years and older

Executive Summary

PREPARE FOR WHAT'S NEXT

In early 2021, the influence of COVID-19 on business decision-making began to wane. Now, advisor optimism is resurging and client acquisition is gaining momentum. Advisors are investing more in marketing and digital is dominating industry marketing content.

The advisors who are equipped with defined marketing plans report greater confidence in achieving their practice goals. Yet few advisors have defined plans in place—and even many of those who do encounter barriers to success. By understanding planning challenges, firms can better determine how to support and retain their high-growth advisors, accelerate digital marketing and gain an edge as the target investor shifts from the Silent and Boomer generations toward Gen X and Millennials.

To help you prepare for what's next, our latest study takes a critical look at advisor marketing trends in 2021, their implications for business outcomes and the actions advisors can take now to maximize marketing in 2022 and beyond.

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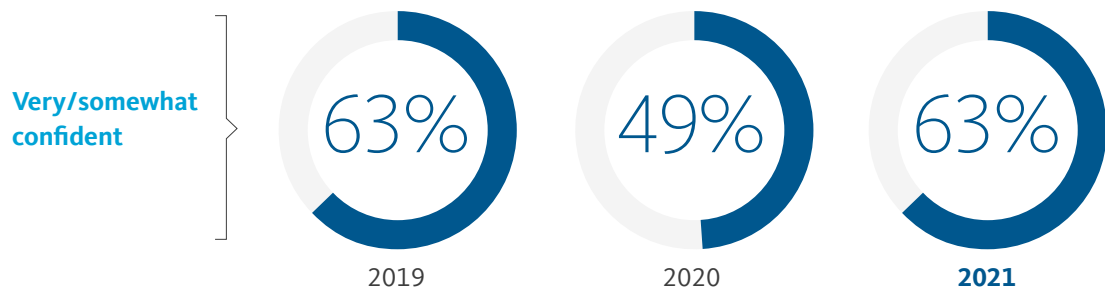
How advisors are charting the path to marketing advantage



Brighter outlook emerging from COVID

In 2020, COVID-19 had a profound negative impact on advisors and their approach to marketing. In 2021, however, advisors reported increased confidence in meeting practice goals.

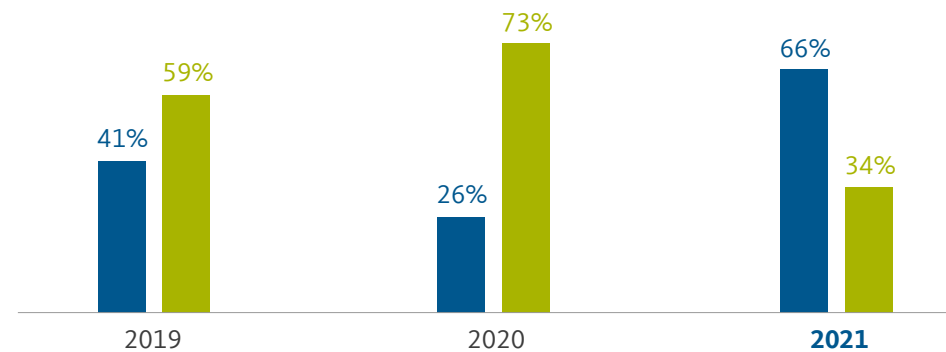
CONFIDENCE IN MEETING PRACTICE GOALS



The percentage of advisors actively adding new clients now exceeds pre-COVID levels.

PRACTICE APPROACH

■ Actively adding new clients* ■ Taking new clients selectively and opportunistically

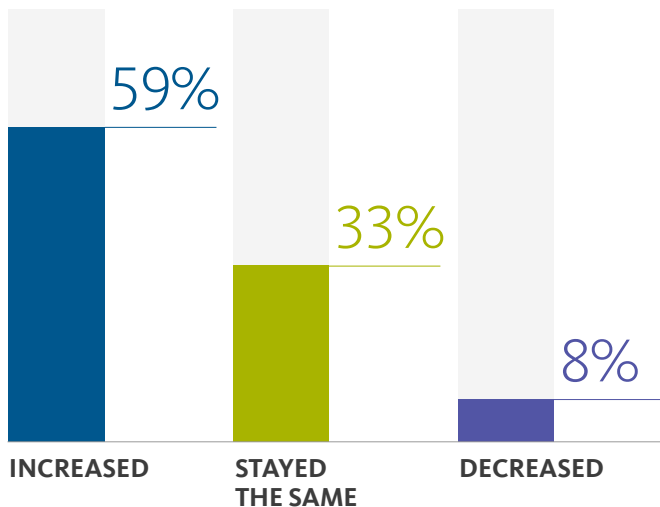


Note: Each year, one percent or less reported they were not taking on new clients or reducing their client base.
 *In 2019 and 2020, attribute wording was “aggressively adding new clients.” In 2021, wording was changed to “actively adding new clients.”

Demand for advisor services also increased over the past 12 months—potential good news for advisors in search of new client acquisitions.

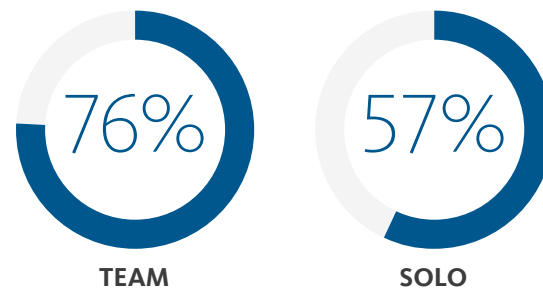
Nearly six in ten advisors reported an increase in demand.

**INBOUND PROSPECT REQUESTS FOR 2021
LAST 12 MONTHS VS. PRIOR 12 MONTHS**

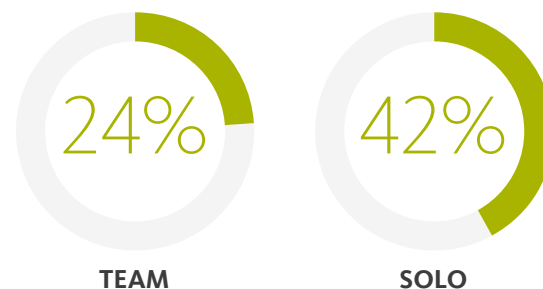


Advisors in team practices are more likely to be actively seeking new clients than their solo practitioner counterparts.

ACTIVELY SEEKING NEW CLIENTS

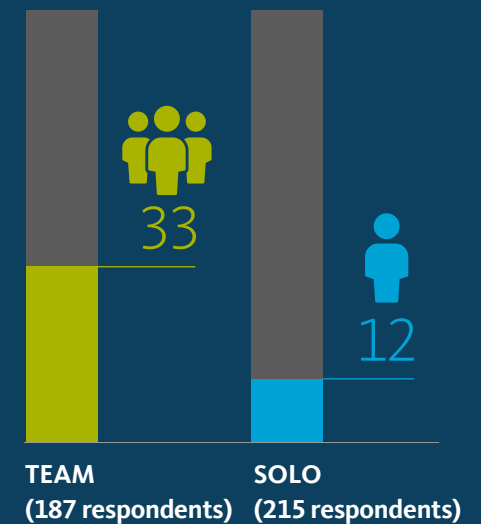


SELECTIVELY SEEKING NEW CLIENTS



Team practices also currently lead in the average number of client acquisitions.

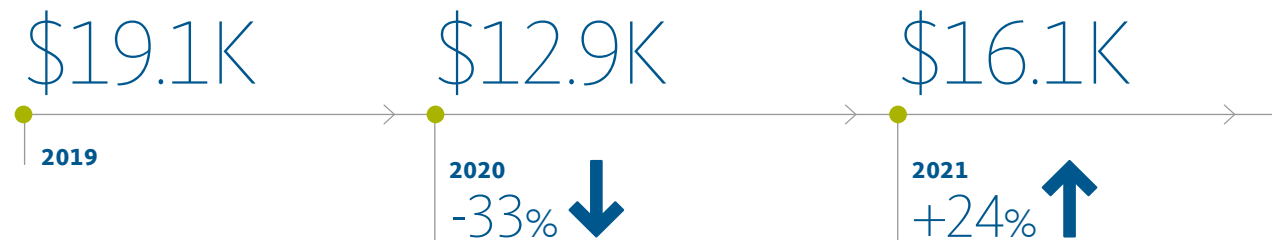
New clients onboarded over the past 12 months (mean)



Marketing spend rose in 2021, and most expect to spend more in 2022

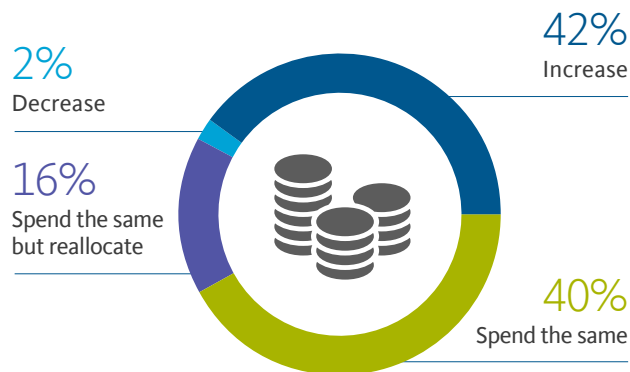
On average, advisor marketing spend is up 24% from 2020's lows, but still shy of pre-COVID levels.

ANNUAL MARKETING SPEND



Two-fifths of advisors surveyed expect their marketing spend to continue to rise over the next 12 months, while almost none anticipate decreasing spend level.

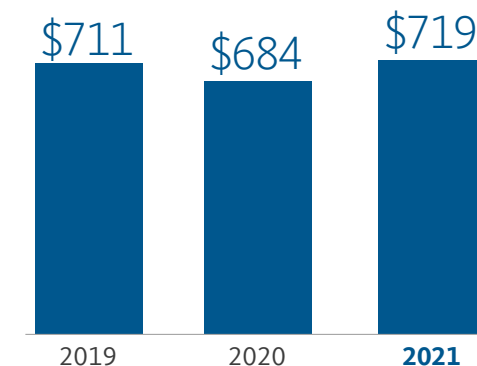
ANTICIPATED CHANGE IN MARKETING SPEND OVER THE NEXT 12 MONTHS



In 2021, average cost per client acquisition was slightly higher than 2019 levels, following a slight decrease in 2020.

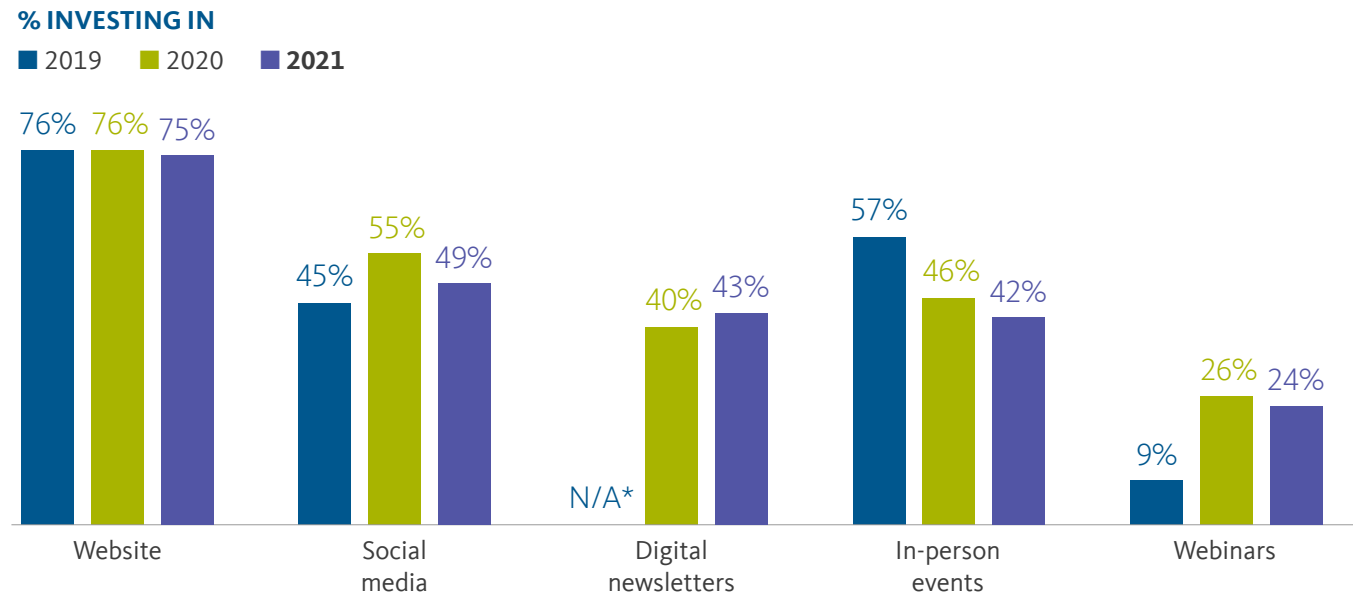
CALCULATED MARKETING COST TO ACQUIRE A NEW CLIENT ANNUALLY

Average cost per client



Where the dollars go

In 2021, four of the top five areas of marketing investment are digital.



*First asked in 2020.

The return of in-person events?

Most marketing investment increases are planned for digital. In-person events stand out as an exception.



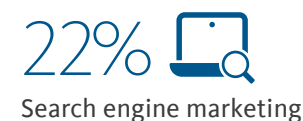
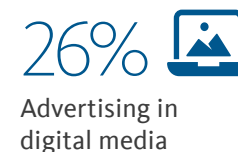
COVID may influence the speed and degree with which in-person events will re-emerge.

Firms must use other tactics in place of or synergistically with events. To navigate pandemic uncertainties and maximize impact, it's essential to have a solid plan.

Social media leads in attracting increased investments

More than a third of advisors will increase spend in social media over the next 12 months—and use of digital tactics is on the rise overall. In contrast, less than 5% of advisors report that they will decrease investment in these areas.

AREAS WITH EXPECTED INCREASE IN MARKETING SPEND OVER THE NEXT 12 MONTHS



Most-used social media channels

Forty percent of advisors report they have gained a lead that became a client via social media. Of these advisors, **71%** said they gained a client through LinkedIn and **58%** said they obtained a client through Facebook.*

*Multiple responses accepted.

Cracking the acquisition code



On average, advisors who acquired 20+ clients over the last 12 months allocated a higher percentage of revenue to marketing efforts (4.7% vs. 3.5%).

- **23%** allocated more than **6%** of revenue to marketing.
- **12%** allocated more than **10%** of revenue to marketing.

More of this high-performing group invested in social media, in-person events and digital media.



Social media
(64% vs. 47%)



In-person events
(55% vs. 40%)



Digital media advertising
(27% vs. 18%)



Broader geographic prospecting gains momentum

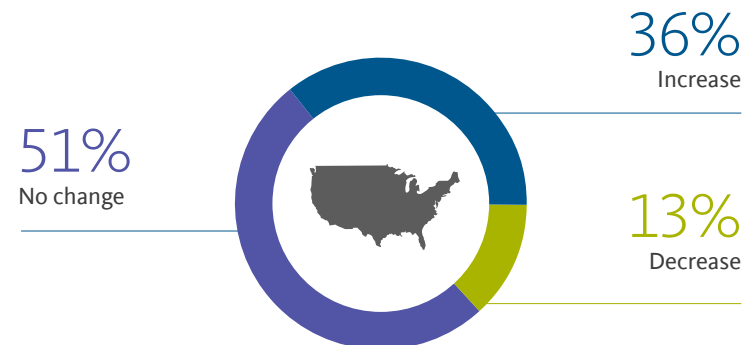
Virtual options have enabled advisors to more readily prospect outside their local area. Today, nearly one quarter of clients are not local to their advisors.

A growing percentage of advisors will increase their non-local efforts over the next 12 months.

PERCENT OF CLIENTS LOCAL VS. OUTSIDE LOCALE



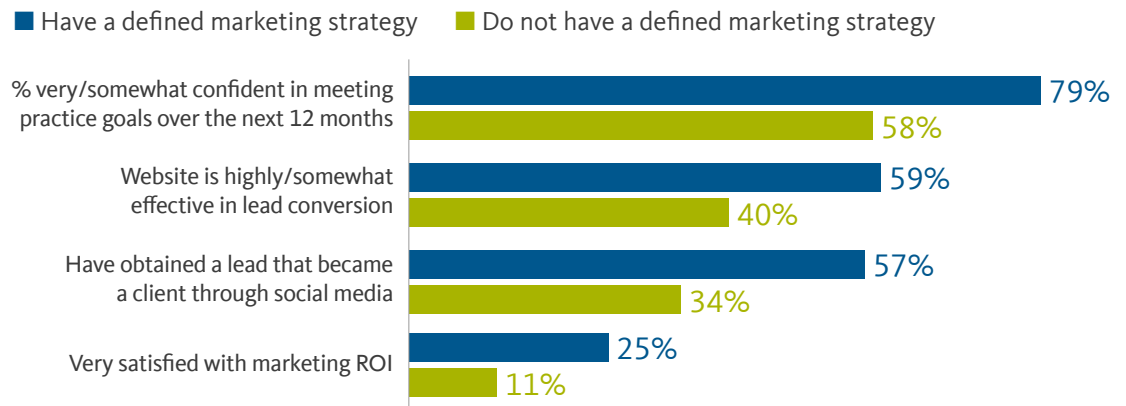
CHANGE IN APPROACH TO PROSPECTING OUTSIDE LOCALE





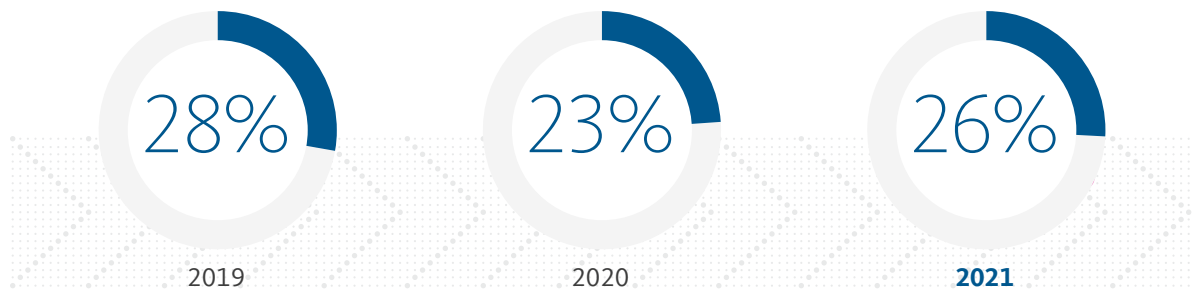
It pays to have a plan

Year over year, advisors with a defined marketing strategy reported greater ROI and satisfaction with their marketing results. With most advisors increasing client acquisition efforts, gaining this kind of an edge can be particularly critical.



Yet for many, charting the path to marketing success remains a challenge. Only one quarter of advisors (26%) indicated they had a defined marketing strategy in 2021—slightly more than in 2020 but less than in 2019.

VERY/SOMEWHAT DEFINED STRATEGY

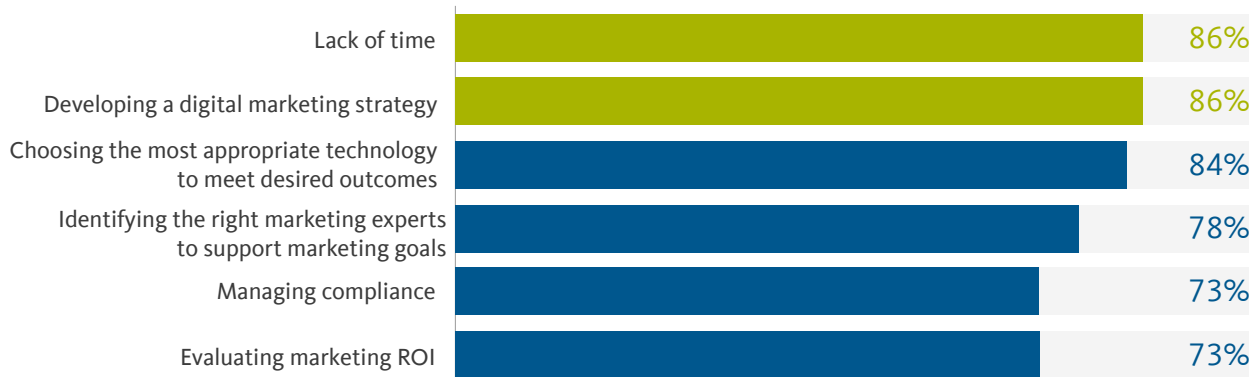


No secret sauce

Advisors who brought on **20+ clients** over the last 12 months are nearly two times as likely to have a defined marketing plan (40% vs. 24% overall). Yet even among these successful advisors, half (53%) still find it challenging to identify the right investors—and nearly three-quarters (73%) find it challenging to develop a marketing strategy.

What interferes with advisor planning and marketing success?

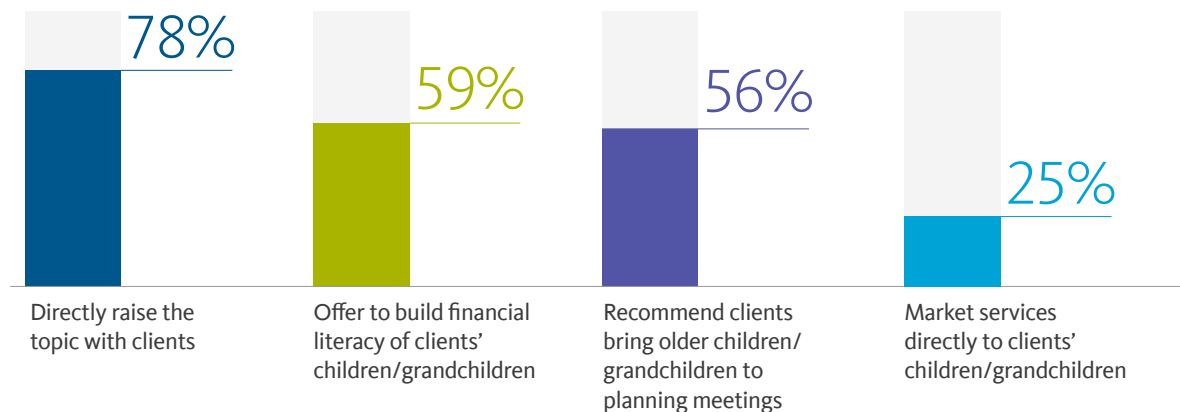
Among all advisors surveyed, the most cited marketing challenges are lack of time and developing a digital marketing strategy.



Planning for generational wealth transfer

Almost four-fifths of all advisors are taking or planning specific actions to target their clients' children/grandchildren.

2021



Base: Working with or planning to work with additional generations.

Millennials and Gen X are increasingly becoming the core targets of advisors.

Gen X is now a primary target for **58%** of advisors, up from **46%** in 2020, highlighting a growing focus beyond the Boomer and Silent generations.

Millennial

Born 1981-1996

Gen X

Born 1965-1980

Baby Boomer

Born 1946-1964

Silent Generation

Born 1928-1945

CONCLUSION

2021 marked a moment of renewed opportunity and confidence, tempered by marketing challenges. Advisors who can successfully plot their marketing course are poised for greater success. And wealth managers who help advisors overcome planning challenges? They unleash boundless potential for business growth.



About the Study

This eBook reports findings from a Broadridge-commissioned study completed in August 2021. The survey compiled the views of 402 financial advisors in the United States and was conducted by 8 Acre Perspective, an independent market research firm.

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