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AI Lead Generation:
The Future of New Business Development

Text by **Kimberly Branch, CFP®**, *Vice President of Marketing Strategy, American Portfolios Financial Services, Inc. —an Independent Broker/Dealer*

It's become a common refrain that the coronavirus (COVID-19) pandemic accelerated some of the mega-trends that were already underway, such as online shopping, food delivery from a phone and fully automated factory warehouse floors. It may have even spurred some new mega-trends of its own, like working from home and a move out of major urban areas.

A case can be made that this year's experience with COVID-19 has permanently changed the way financial advisors pursue new business development. The days of prospecting for new clients via public seminars or investor dinners may be going the way of cold calling, digital advertising, social media, newspaper ads and direct mail.

Advisors will be challenged to find ways to replace the marketing staples that have worked so well for them in the past, but new technologies and big data may offer an answer.

In this white paper, AI Lead Generation: The Future of New Business Development, we discuss how artificial intelligence (AI) lead generation works and how—when used in concert with big data and leading edge technology—it can be employed by advisors to grow their business more effectively than ever before.

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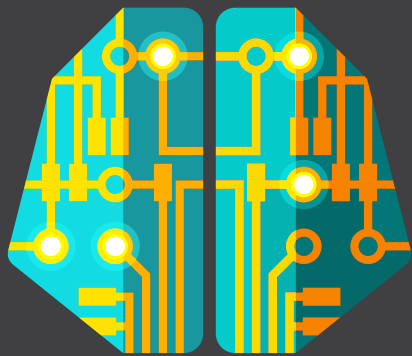
What is Artificial Intelligence?

The emergence of big data and identity resolution technology has spurred the development of smart algorithms that allow computers to evaluate the huge amounts of data captured by the digital footprints left by Internet users, including individuals' informational profile and behaviors, identify common threads, and uncover the individuals who share these similarities. These highly sophisticated algorithms not only create a snapshot in time, but they can even predict future purchase behavior, lending critical insight into anticipating investor needs.

How AI Can Help Advisors Generate Smarter Leads

In the past, advisors interested in buying leads often had an idea of the investor profile that best fit their business model; perhaps it was someone earning more than $150,000 per year, with assets in excess of $500,000 and age 45 or older. The list purchased by the advisor contained a quantity of names, but most, for one reason or another, weren't particularly good prospects. Few, if any, ended up as clients.

Of course, there were many problems with such leads: the information was often dated, few on the list had any interest or motivation in speaking with a new advisor, and these lists often overlooked many viable prospects because an advisor pursued a narrow and well-worn demographic territory (income, age, etc.).

With AI, finding leads becomes more surgical, relevant and actionable. Using AI, advisors are able to generate a better understanding of prospects and predict their behavior, which enables advisors to deliver content and messages that are appropriate to whatever point the investor may be along in his or her purchase journey. This is discussed in more detail further in the white paper.

Consider, for instance, the difference between getting a DOL report on terminated retirement plans as a prospecting source for IRA Rollover assets (usually available at least six months after the fact) versus an AI tool surfing social media sites and identifying posts about "Three months to retirement day and counting!"

Another compelling advantage to using AI to generate leads is that AI can sift through millions of data points to unearth individuals that may need or be interested in an advisor's service. It's the scale of discovery that an advisor simply can't match.

Moreover, AI lead generation can be performed in an automated fashion so that the multiple contacts leading up to a conversation with the prospect can be made while the advisor is attending to other parts of his or her business, like managing client assets. This automation not only makes an advisor more efficient, but it prevents leads from slipping through the cracks of a busy advisory practice.

Finally, and perhaps the most compelling advantage with AI-generated leads, it can identify prospects for an advisor well before they ever hit the radar screen of other advisors, providing an unparalleled competitive advantage in winning new clients.

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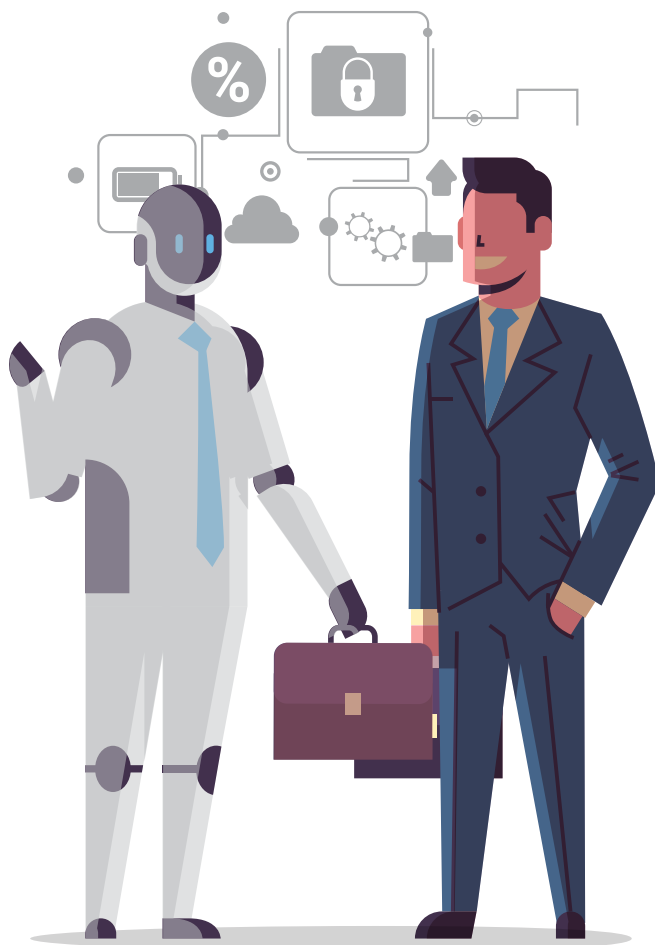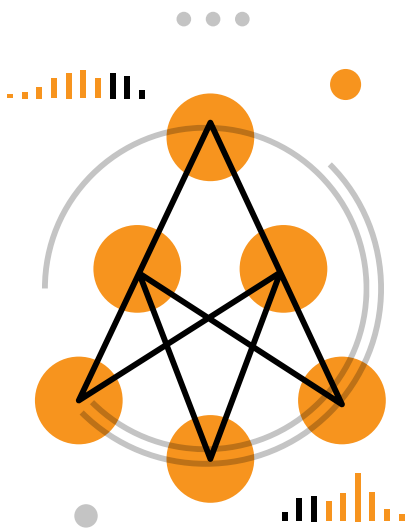
How AI Lead Generation Works

The observable behavior that indicates a propensity to buy a product or service can, in almost all cases, be identified. To do this requires building out a behavioral profile, e.g., the URLs they visit, the keywords used in the searches they perform, the content they view and consume, and the online engagements they have.

As the AI moniker suggests, intelligent, self-learning algorithms are constantly refreshed and adjusted to provide increasingly more accurate insights and behavioral predictions.

As these prospects are identified, so too is the point at which the individual may be in the buying journey, enabling an advisor to deliver marketing content relevant to the precise point at which he or she may be in that journey. While the AI algorithm is capable of knowing the point in the journey at which the buyer may be, it is the advisor who will need to have a content library—which American Portfolios offers to its investment professionals free of charge—sufficient to apply to all the distinct points in a buyer's journey. If the advisor does not have a content library to market from, most AI companies will assist in serving up ads that redirect prospects to a Web site, where they may then fill out a form to receive more information or to set up a complimentary consultation.

The buyer's journey is comprised of six stages:

1 Awareness of a Need or Problem

"I'm changing jobs and I don't know what to do with my 401(k) account."

2 Define the Problem

"My 401(k) balance is over $300,000 and it needs to be properly invested."

3 Consider Options

"I can keep it with my employer, maybe roll it over into my existing IRA or open a new Rollover IRA."

6 Final Decision

"Let me visit some local advisor Web sites and see who I like and has good public reviews."

5 Justify Decision

"I don't want to leave the account with my previous employer and I really don't like my current advisor, so I guess I should open a new account."

4 Evaluate the Solutions

"There are pros and cons to each approach; let me do an Internet search on 'what to do with a 401(k) when changing jobs.'"

One challenge with using AI to generate leads is that it may actually generate too many possibilities, which is why leads are scored for value and actionability to provide advisors with the highest probability prospects so that their time and attention is spent in the most effective and efficient way.

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Working with American Portfolios' AI Lead Generation Partner

Recognizing the future of lead generation, and in an effort to help our advisors succeed, American Portfolios has partnered with a leading AI lead generation provider with over eight years' experience refining the science and building a database that captures more than 40 billion real-time behaviors every day, including URL navigation, keyword search, past purchase behavior, content consumption and response to past campaigns.

The partner firm is able to obtain the names and e-mail addresses of people visiting an advisor's Web site and searching for the products and services he or she offers, along with tracking and monitoring high value prospects and target businesses.

Campaign set-up and onboarding is quick and easy, allowing advisors to be up and running with their AI lead generation efforts in relatively short fashion.

American Portfolios Financial Services, Inc. has just the resources in place to help its advisors on many fronts. Advisors interested in learning more about AI lead generation should contac should reach out to *Vice President of Marketing Strategy* **Kimberly A. Branch, CFP®** at **631.439.4630**, or via e-mail at kbranch@americanportfolios.com, to strike up a conversation today on programs and needs of the advisor.

About American Portfolios

Headquartered in Holbrook, N.Y., American Portfolios Financial Services, Inc. (APFS) is a full-service, independent broker/dealer and member firm of FINRA and SIPC, offering a complete range of financial services, including personal financial and retirement planning, securities trading, mutual funds, access to investment research, long-term care planning, insurance products and tax-free investing. Fee-based asset management is offered through its sister subsidiary, American Portfolios Advisors, Inc., (APA), an SEC Registered Investment Advisor. Both entities, along with technology entity American Portfolios Advisory Solutions, LLC, collectively reside under the legal entity American Portfolios Holdings, Inc. (APH). Full-service securities brokerage is available through a clearing firm relationship with Pershing, LLC, a BNY Mellon firm, the securities of which are held on a fully disclosed basis.

The company currently supports 856 independent investment professionals—inclusive of registered assistants—and more than 375 non-registered associates, located in 403 branch locations throughout the nation. It was named Broker-Dealer of the Year* (Division III) by Investment Advisor magazine for six consecutive years (2015-2020); a 2019 and 2020 WealthManagement.com Industry Award Finalist in multiple categories, and the 2020 winner in the Service category of B/Ds under 1,000 representatives for its Virtual Administrative Services (VAS) program**; one of the Best Companies to Work for in the state of New York for five consecutive years (2016-2020) by the New York State Society for Human Resources Management (NYS-SHRM) and the Best Companies Group (BCG); and one of the Top Long Island Workplaces for 2018 by Newsday.

* Based on a poll of registered representatives conducted by Investment Advisor magazine. Broker/dealers rated highest by their representatives are awarded "Broker/Dealer (B/D) of the Year."

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