

Marketing to the Affluent Baby Boomer

Text by Gary Gordon, *President, American Portfolios Advisors, Inc. (APA)*

IT SEEMS THAT it was not so long ago that I started in this business; yet, as I look around at the pictures in my office, I see that it has been 30 years. When I started in the financial business, the thought of a baby boomer was foreign to me. All these years later, upon reflection I can't help but notice that I, too, am now a baby boomer.

Many advisors target the baby boomer generation, leading one to ask, "Why is this segment of Americans so treasured?" As Jessie James once famously responded to the question of why he robbed banks, it's "because that's where the money is." There are approximately 76 million baby boomers alive, with this group controlling 80 percent¹ of the personal finances in the U.S. economy right now. Marketing to the most affluent baby boomer is the key to growing your practice.

Embrace the challenge of growing your practice around this market demographic. Build your practice focusing on managing risk and solving for the four common dreams shared by the affluent baby boomers. The four dreams shared by this influential group are:

- » **Accumulate wealth**
- » **Save to educate their children**
- » **Retire well**
- » **Transition wealth from one generation to another**

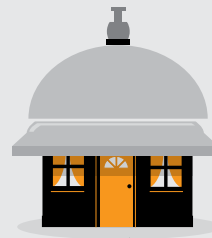
Learn several marketing tips to attract this group of investors and differentiate yourself from other advisors. Most of the investors in this group have multiple advisors and are often trying to decide how to consolidate their financial relationships. Research shows that clients will align themselves with

the firms that offer the best and most unique service experience. As the market changes and advisors focus on asset allocation, performance is less of a difference maker with clients. Unless performance is drastically less than the market, clients measure you on the service you provide. As such, it is important to invest in your own business.

In this article, you will find five marketing tips that will help you capture clients, referrals and assets from this ever-growing segment of the U.S. population. This past year saw 10,000 baby boomers reaching the age of 65² every day; it is expected that this staggering number will continue for the next 20 years. The baby boomer market is huge and offers tremendous opportunity for retirement business. In fact, over 30 percent of the "boomers" in their 60s have more than 80 percent of their 401(k) assets invested in equities³.

TIP NO

01 SLEEP IN YOUR OWN GUEST ROOM



When I challenged the folks in my practice to develop business in this market, I suggested that they put themselves in the position of a potential client. This stems from an early reading I did on marketing. The reading

suggested that every homeowner who is fortunate enough to have a guest room, spend a few nights as a guest in their own house. I did this in my own guest room, and discovered a great many things; I learned how uncomfortable the bed was, the room was not properly cooled in the summer, the TV was too small and it was extremely awkward for a guest to ascend to the kitchen at night for a cold drink. For a few hundred dollars, I was able to solve what I found to be a poor experience. I replaced the bed, had more air diverted to the guest room, purchased a larger TV and installed an under-the-counter refrigerator that I stocked with water, juice and tea. Now, any guest in my house is welcome to enjoy the experience of a five-star hotel.

I suggest that everyone in your organization be a client, as well; you will quickly learn the positives of your practice and the frustrations that clients could be experiencing, but are not willing to voice.

¹Age Wave

²endoftheamericandream.com 16 facts About the Coming Retirement Crisis That Will Drop Your Jaw

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TIP NO

02

FOCUS ON THE BEST CAR DEALER SERVICE EXPERIENCE



The competition today for car dealers is greater than ever. It is no longer about the price of the car; it is about the service experience. Baby boomers are the largest buyers of high-end cars in America. Whether it is an Audi,

BMW, Mercedes Benz or Porsche, when an affluent boomer buys one of these cars, they want to be treated like royalty. Car dealerships offer loaners, pick up and delivery, service waiting rooms stocked with cold and hot drinks, snacks, Internet service and TVs to pass the time. The inconvenience of having your car serviced does not exist anymore.

As financial advisors, we can learn from today's upgraded dealerships. Here are a few high-tips that I extracted from these service models and believe you can use in your practice today that will lead to more assets, more referrals and loyal clients. If done correctly, a great client experience is something that people will talk about at their Friday night dinners at the country club.

If your office is in a multi-floor building, always have your clients met in the lobby of your building, especially if it is the first time that they are coming to your office. If the weather is inclement, offer to meet them with an umbrella; or if there is ice on the ground, offer to have them drive up to the entrance and have someone park their car. This may sound excessive, but this is what they will remember and talk about. If they have other advisors, this certainly separates you from the pack and shows your level of caring.

Other client perks that clients will talk about include:

- » **Offer a car service to clients to come into your office. Show them that you care. If the weather is bad, if an appointment is during rush hour, or your office is difficult to get to due to location or traffic, having a car service bring them to you shows that you are empathic and value their business.**
- » **Offer clients a drink. This seems very basic, but the difference in how you serve it is most important. Serving water in a pitcher with ice and glasses is much classier than offering them a bottle of water. Many people prefer not to drink out of a bottle, nor does it look good to serve water or coffee in paper cups. Invest into a pitcher, glasses and mugs. I will discuss a contact management system shortly that could help with this next part, but take notes on what your client asks for, so the next time they visit your office, you can be ready to offer them their drink of choice instead of asking them what they want. This shows just how much you are paying attention to the client.**
- » **When your meeting is over, don't just walk them out of your office—walk them to their car. I cannot tell you how many times clients have told me things in an elevator or on the way to their car that they didn't mention in my office. For whatever reason, once a client leaves your office or conference room, they tend to let their guard down and talk about much more personal issues and disclose key information.**



TIP N°

03

OWN THE RELATIONSHIP

I briefly mentioned the thought of using a contact management system. While many advisors use Redtail Technology, most contact management systems today offer you similar capabilities. What is most important is that you have a concierge manager for your practice; whether

that is the advisor, administrative assistant or a person dedicated to being your concierge manager is not the issue, so long as someone is dedicated to providing detailed, memorable service for clients.

The problem with marketing to the baby boomers, however, is that they are also part of aging Americans. Marketing to this group is difficult because the needs vary so much; some are still working and some are looking for additional insurance needs. As I mentioned earlier, there are 10,000 baby boomers turning 65 every day. When I talk about owning the relationship and building your contact management system, you should aspire to build a "Wikipedia" page for each client. If you are not familiar with "Wikipedia," it is the online encyclopedia where you can go to learn nearly anything about a particular person, service, product or event.

Within the contact management system, you need to have this same catch-all of information available; you need to know everything about your client, and this extends beyond the obvious details such as their

date of birth. Make sure to get other information like their spouse's name and date of birth, children's names and key family contacts, such as doctors, accountants and attorneys. This is where you start to separate yourself. Knowing your client's inner circle not only shows that you are interested in more than just their business, it can also be an avenue for you to market to them and coordinate life decisions with them on behalf of your client, with the client's permission. Holding yourself out as a team captain to your client's team shows that you are willing to coordinate your efforts with their most trusted "advisors." This goes a long way to taking a strong hold on the relationship.

Furthermore, gathering other such details as your client's wedding anniversary, favorite drink, restaurant, wine, music, sports team, hobbies and anniversary of your relationship can give an added boon to the service relationship. With this information, you can arrange to celebrate milestones at their favorite restaurants with their family or key confidants, send them cards wishing them a happy anniversary or a bottle of preferred wine during the holiday season ... again, things that will set you apart from competition. Client appreciation goes a long way in deepening the relationship and attracting new assets. Catalog this information and be alert for original ways to use it to build onto your relationships.

Relationship marketing is not as easy as remembering a client or prospect's birthday or anniversary. While that's all a part of it, the secret to really valuable relationship marketing is the ability to recognize any unique dates and activities that are uncommon to each particular client or prospect.

TIP N°

04

BE A PROVIDER OF MORE THAN FINANCIAL SERVICES

The baby boomer segment of Americans is one of the most over-marketed groups of investors today. Just watch a nationally-televised sporting event and you will see the advertisements from Fidelity, Charles Schwab and ING targeting this group. The result of this Tsunami

of retirement information is, in order to catch the attention of this group, you must be able to provide more than just financial services information and provide life-changing support.

We see this being accomplished through the use of social media. Having a presence in the ever-growing network of social media connections is the key to growth. Of the 76 million baby boomers out there, 84% use the social media site Facebook⁴. Take advantage of this by being their friend on Facebook and seeing the milestones in their

lives. Comment, like or share their photos. Even if you notice a new member of their family think about sending them a card. You can be ahead of the curve or behind it, but the world of communicating is changing.

Every day we have more and more clients subscribing to our interactive blog; it has become an easy way for them to ask questions ranging from financial investments to advice on cars. Through this, they are able to quickly gain the pulse of the firm and reactions to market trends, and are able to share our information with their network with the click of a button.

The power of social media is mind boggling. I recently looked at my LinkedIn profile and saw that my 300 direct contacts gave me exposure to almost 4 million people with just three degrees of separation. Now imagine the exposure your business has when you combine Facebook, Twitter and LinkedIn; the opportunity is endless, and should be taken advantage of as an integral part of your business.



⁴endoftheamericandream.com 16 facts About the Coming Retirement Crisis That Will Drop Your Jaw

TIP NO

05

YOU ARE THE PRODUCT



When marketing to the affluent it is important to remember that most of these clients and prospects are successful business owners, corporate executives or service professionals. They understand and appreciate working with an owner, and it is important to remember that you are the business and the product; you are what they are buying.

To communicate and connect to your client base, you must be willing to listen, be original and allow clients to shape your business. I have three suggestions:

- » **Create an annual survey. Keep it simple and make it easy for the clients to respond. Be consistent, send the survey at the same time each year and measure the results. I suggest that you allow for clients to respond anonymously, provide return postage and have the surveys returned anywhere except your office. If the perception is created that an outside organization is administering the survey, you are more apt to get uncompromised feedback.**
- » **Develop a quarterly newsletter. Many advisors will buy pre-printed newsletters that are “canned”; they slap their name and picture on it and think it is their own. It is important to be original and write pieces that are a reflection of you and your business, and that convey your own philosophies. A newsletter can be a great way to have your clients get integrated into your business. It is a nice touch to allow a client to write an article that is pertinent to the entire client base. For example, if you have a client that has had a positive experience with adult education, they could possibly list courses that have simplified their retirement.**
- » **Engage key clients to form a client advisory board. Any successful business has a board of directors. Empowering clients to help you further develop your practice is a great way to bring them closer to your practice. When board members discuss what they are doing with their advisor at their weekly golf outing, it is completely natural for questions to develop. Your board should be very structured and no one client should be on the board for more than three years. Board meetings should be scheduled for at least one face-to-face meeting annually, supplemented with a couple of conference calls and maybe “Board Only” notes each month. This does not need to be complicated, but giving key prominent, affluent clients a sense of ownership adds to their status in life. Most importantly, you play into their hands in that they feel they are helping shape your business. As a result, they are much more comfortable referring clients and investing more assets.**

Although these tips may be simple, they are effective and will differentiate your practice. Over my many years of service, I have learned that you must continuously offer clients something new and original. The one thing that never changes—it does not matter what business you are in—is that superior customer service can and will be the difference maker. Look at yourself as a consumer. What is most important to you in the high-end products you buy? Are you a person who is purely price conscience or are you someone who wants great service? Looking at these factors will direct you in how you market your practice, yourself and, most importantly, how you service the affluent baby boomer. It is important to understand that baby boomers have the most buying power right now and occupy the most employment in the workforce ... their value and power within the economy cannot be overlooked. ●

About American Portfolios

Headquartered in Holbrook, N.Y., 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 division American Outsources, LLC (AO,) collectively reside under the legal entity American Portfolios Holdings, Inc. 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 serves 818 independent investment professionals located in 363 branch locations throughout the nation, and was named Broker-Dealer of the Year* (Division III) by Investment Advisor magazine in 2015.

*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.”