



# The 2022 Study of Best Practices for Financial Advisor Marketing

Driving growth amid uncertain market conditions



Produced by:

Wealth  
Management 

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# Introduction

It's easier to grow a financial advisory firm in a rising market. Positioning assets for growth is a key priority for advisors—and a core competency that delivers benefits for clients and the business. The uplift from rising markets makes it easier to maintain a growth trajectory because rising markets produce the returns that keep investors happy, yielding easier referrals and greater opportunities to gain wallet share.

Market volatility removes that natural updraft, placing more pressure on a part of the business many financial advisors don't give their full attention: marketing. While most financial advisors understand that marketing is an important component of their growth strategy, executing that part of the business can be difficult. In the absence of well-differentiated best practices, most advisors are simply doing what everybody else is doing. As a result, there's a lot of untapped potential for return on their marketing investment.

To help firms and advisors understand the current state and impact of marketing in the industry, Wealth Management IQ conducted a survey on behalf of FMG. This research establishes benchmarks for what channels and practices firms are currently using to market themselves to potential clients and where firms are finding the most success in translating their marketing efforts into growth. It also demonstrates opportunities for further differentiation in areas where the industry as a whole is missing out on high-value marketing activities.

Currently, firms experiencing the highest levels of growth place a greater priority on marketing activities that expand their reach into new markets. Overall, however, firms tend to focus their marketing efforts on traditional activities in which they already have experience, like client communications and events. While some firms are reaping a better return on investment (ROI) than others, there are untapped marketing opportunities available to virtually all firms.

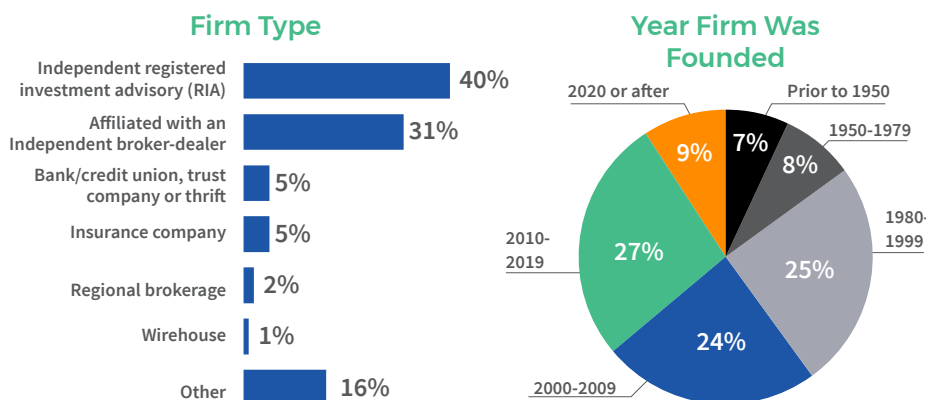
As these benchmarks show, best practices often are less about the type of marketing technique or channel used than they are about the frequency and expertise with which advisors execute their marketing activities. We hope advisors use these insights to inform decisions for their individual firms and to help grow the wealth management industry as a whole.



*Best practices often are less about the type of marketing technique or channel used than they are about the frequency and expertise with which advisors execute their marketing activities.*

# Surveying the growth landscape

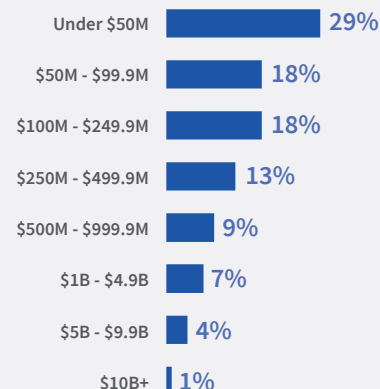
A variety of firm types participated in the survey, most commonly registered investment advisors (40%) and independent broker dealers (31%). Of these firms, those with the highest growth were founded in the last 22 years (58%), indicating that younger, hungrier firms are more likely to leverage marketing activities that lead more directly to new prospects and clients. But their current tactics may not be enough to continue growth in 2023.



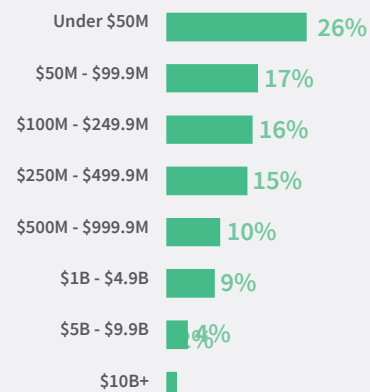
Assets under management (AUM) trends have continued to rise in recent years. Respondents report steady AUM gains over the past three years, with the sharpest jump occurring between 2020 and 2021, before 2022's economic downturn.

*As the downturn continues into 2023, firms that want to maintain AUM growth will need to turn their attention to their marketing practices to ensure they attract and retain clients. Given the relatively low level of marketing taking place throughout the industry, advisors that engage in more proactive marketing tactics could find that these efforts help differentiate their practices enough to engage and grow their client bases successfully.*

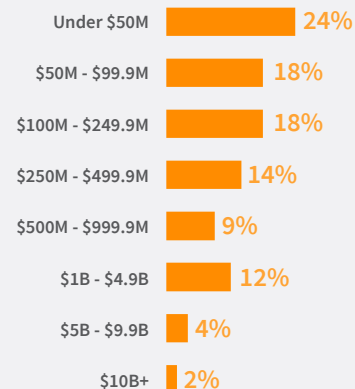
## Total AUM at End of 2020



## Total AUM at End of 2021



## Expected Total AUM at End of 2022





# Growth drivers

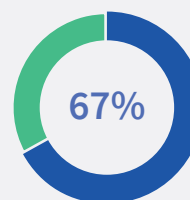
To judge the effectiveness of advisors' marketing activities, we first need to look at what they intend to accomplish. The primary reasons firms allocate resources to marketing activities are to deepen their relationships with existing clients and acquire new clients. Raising awareness and keeping firms top of mind with potential clients and centers of influence (COIs) are also important.

Firms experiencing the highest growth are significantly more likely to target their efforts more broadly than other firms. Higher-growth firms are substantially more likely to focus their efforts on acquiring clients that expand their practice areas and their geographic reach. They are also more focused on building relationships with COIs. These efforts are likely to support greater growth because they target a wider range of potential clients and, in COIs, a critical source of high-quality referrals.

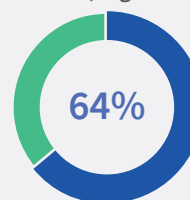


## Primary Objectives for Investing in Marketing Activities

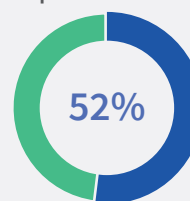
Deepen relationships and improve communications with existing clients



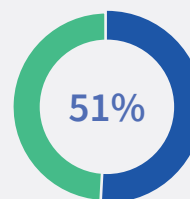
Acquire new clients in my core market/region



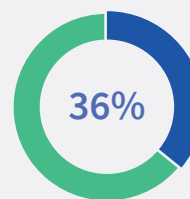
Raise awareness of my firm and our capabilities



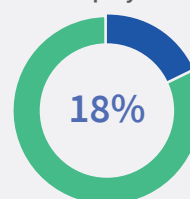
Stay top of mind / build relationships with Centers of Influence



Acquire new clients in new markets



Attract new recruits and employees



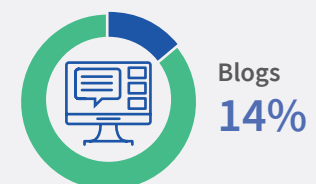
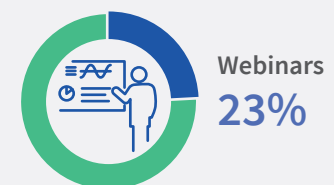
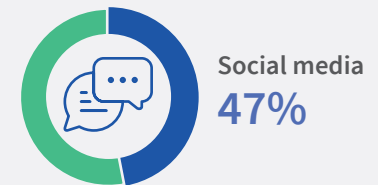
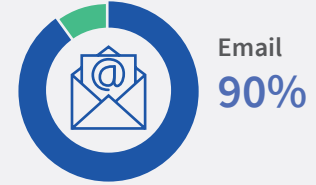
# Channels and marketing activities

Email is the primary channel used by all firms for communicating with clients, followed closely by telephone. Higher-growth firms are significantly more likely to use social media and video conferencing in their marketing mix than their peers. This tendency suggests they have a more progressive attitude toward non-traditional marketing media than the majority of their peers.



*Webinars (23%) and blogs (14%) remain underutilized across all firms, despite their potential to reach a wide audience efficiently with a targeted message.*

## Channels Used for Communicating with Clients







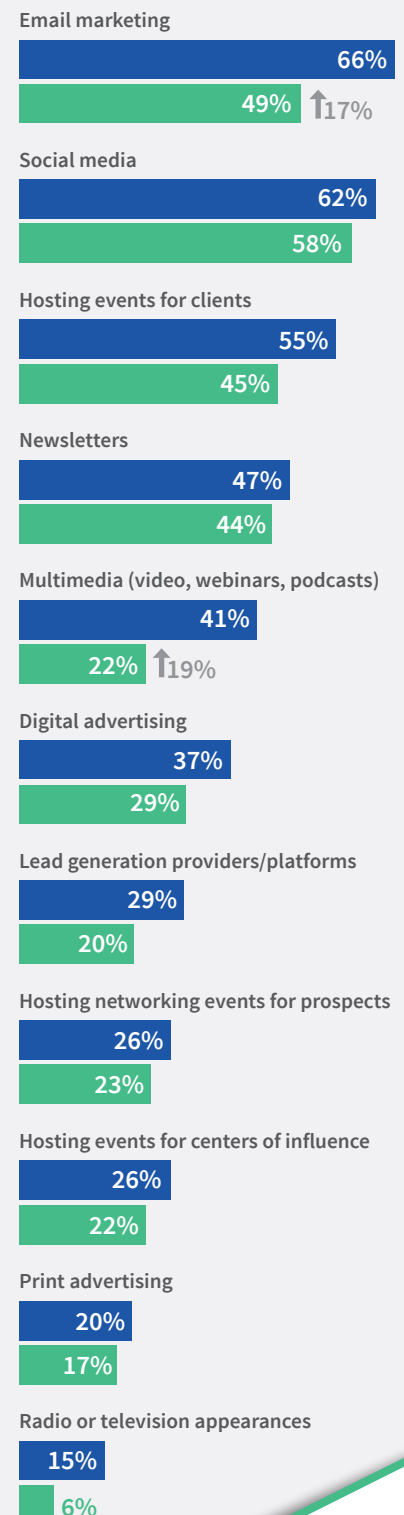
## Digital marketing activities are widely used

Part of email's appeal for advisors may lie in its ability to function as both a one-to-one and one-to-many form of communication. In fact, despite the widespread use of the telephone as a communication channel, most of the actual marketing communication advisors undertake is focused on digital marketing through email or social media. Hosting live events for clients is the most-used in-person marketing technique.

Across the board, firms experiencing higher growth tend to engage in a broader range of marketing activities than their peers. In particular, they tend to be more inclined to produce email marketing and multimedia content, activities that, properly leveraged, can reach a large number of potential clients at relatively low cost.

### Marketing Activities Leveraged

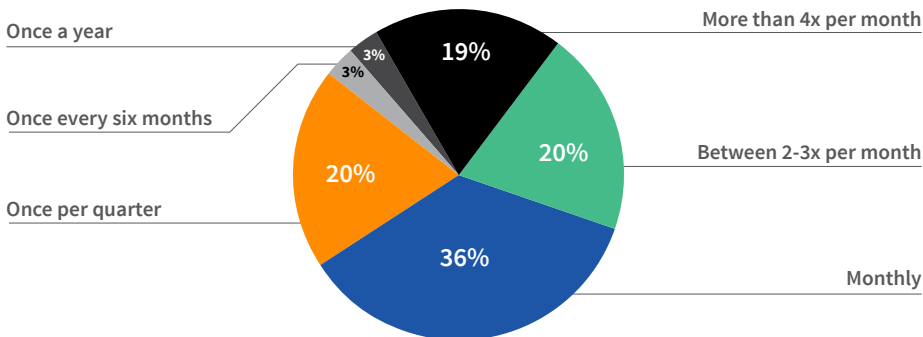
- High Growth Firms
- Peer Group Average



## Frequency and content of communications vary widely

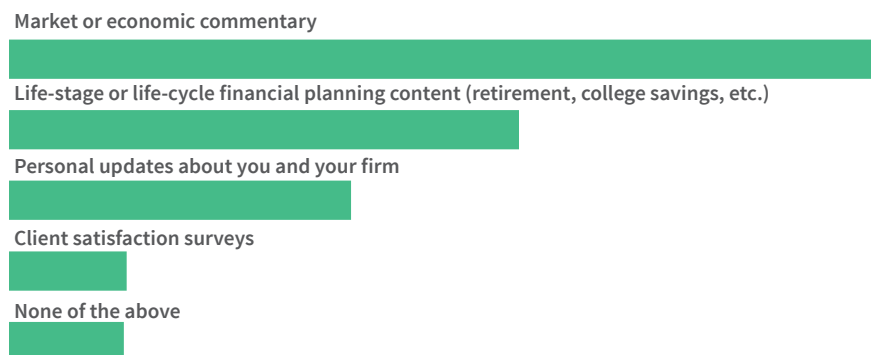
Although 66% of firms target their marketing at deepening relationships and improving communications with existing clients, most firms only communicate with those clients on a monthly basis at most. At the high end, nearly one in five (19%) report that they communicate with clients more than four times each month.

### Frequency of Proactive Communication with Clients



Staying top of mind is only half of the equation for determining frequency of communications. Advisors also need to have compelling material to distribute. Unsurprisingly, firms that engage in content marketing are most likely to produce market or economic commentary (73%). Fewer than half offer clients more personally relevant information about non-economic topics, such as tailored life-stage or life-cycle financial planning content or personal updates about the advisor or the firm.

### Types of Content Distributed Most Consistently



While the common subjects on which most firms focus their content give them a chance to demonstrate their expertise, unless they also include a unique perspective, it's hard to differentiate themselves from other firms who publish similar types of content. Personal updates about advisors or firms can help build connections and engagement, fewer than a third of firms publish this type of content.

*73% of firms that engage in content marketing produce market or economic commentary, but fewer than half offer the types of more personally relevant information about non-economic topics that can deepen advisor-client relationships.*

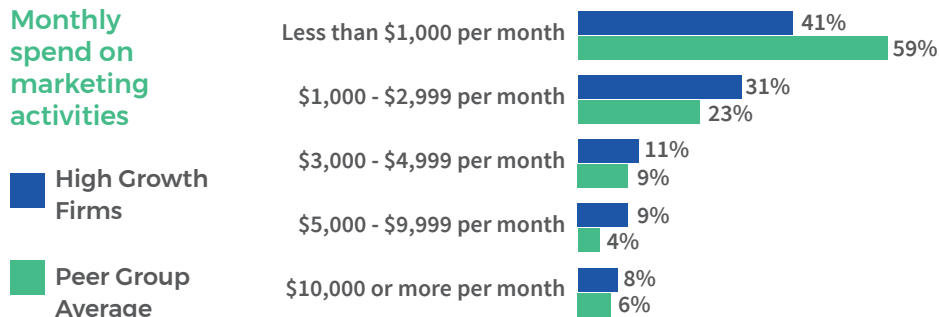




# Marketing resources

As advisors lean more into marketing activities, nearly half expect to increase their marketing budget in 2023. Virtually none plan to decrease their expenditures. Overall, however, the size of a firm's marketing budget doesn't necessarily correspond to growth. In fact, only 28% of high-growth firms and 19% of all others report spending more than \$3,000 per month on marketing activities. The majority spend less than \$1,000 a month.

## Monthly spend on marketing activities



Most of those marketing dollars go toward hosting events for clients (45%), followed closely by social media (42%), email marketing (38%), and newsletters (29%). Hosting client events provides a good opportunity to deepen existing relationships, which makes its prioritization by advisors understandable. Digital interactions with clients via email and social media are relatively inexpensive overall, so it makes sense that advisors would see them as ripe targets for a return on their marketing budget.

Here again, the relative expense of the activity may have less to do with its success in driving growth than the execution of the activity. Hosting an event can be more costly up front, but it doesn't usually require the marketing expertise needed for content-driven marketing activities such as newsletters, emails and social media campaigns. In these areas, it can be worth ensuring advisors have the resources available to get the right message in front of the right people at the right time.

*The majority of advisors spend less than \$1,000 a month on marketing. Investing in resources that help them be more effective and/or efficient at marketing can improve the ROI for a given activity.*

## Direct Investment in Marketing Activities

### Hosting events for clients

46%

### Social media

42%

### Email marketing

39%

### Newsletters

30%

### Digital advertising

27%

### Multimedia (video, webinars, podcasts)

22%

### Hosting events for centers of influence

21%

### Print advertising

20%

### Hosting networking events for prospects

18%

### Lead generation providers/platforms

18%

### Radio or television appearances

9%

## Marketing staff

In terms of human resources, only 31% of firms employ dedicated, full-time marketing employees. This lack of dedicated oversight can be costly. Many marketing tactics such as email, social media and content marketing do not have hard costs associated with them. Knowing when, how and where to deploy these resources is the key to a more efficient marketing operation. Firms experiencing high growth are significantly more likely to employ one or more dedicated full-time marketing employees.

Marketing-driven growth isn't necessarily about having the biggest budget, but about making the right contact at the right time with the right message.

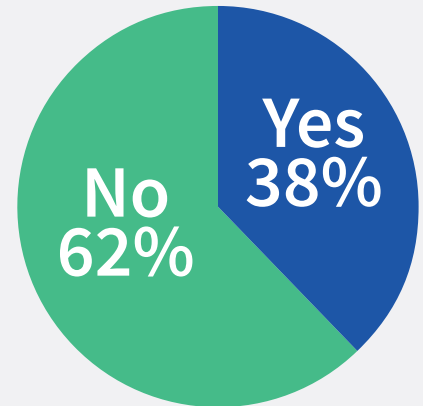
Firms that employ in-house marketing staff most often put them in charge of activities intended to nurture current clients. Topping the list are managing a firm's website (76%), client communications (68%), social media (68%), and events (60%).

*However, only about half of in-house marketers are responsible for content marketing (54%), a key marketing tactic for differentiation and lead generation.*

### Marketing Activities for Which In-House Staff is Responsible



Does your firm employ dedicated full-time marketing employees?



### Types of marketing staff employed by firm

Marketing intern (still in school and works part of the year)

19%

Part-time marketing staff person (or a full-time person who spends part of their time on marketing)

28%

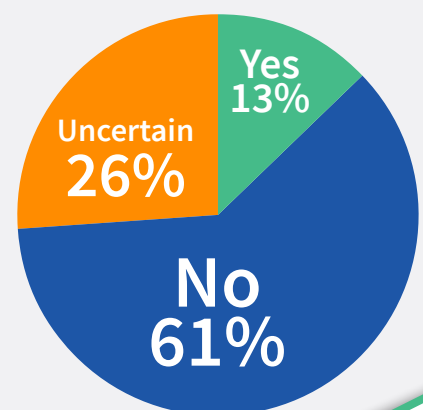
Full-time marketing staff person (fully dedicated to marketing)

58%

More than one full-time marketing staff members

43%

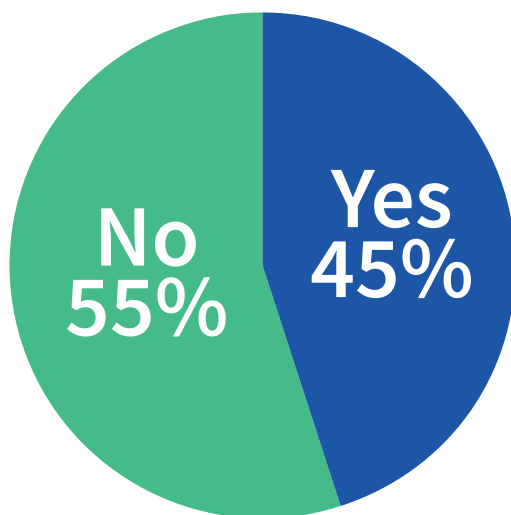
Does your firm plan to hire any new marketing staff in Q4-2022 or in 2023?





Only 45% of firms invest in marketing resources provided by third-party firms and consultants. Those who do hire consultants typically engage them for website design (58%), content creation (52%) and/or social media (50%). Notably, these are activities that require time for nurturing, engagement, and keeping up with trends—time that firms often can't provide in-house.

Does your firm engage any third-party marketing firms or external consultants?



#### Use of Third-Party Marketing Firms or External Consultants

Website design

58%

Content creation

52%

Social media

50%

Advertising and creative development

47%

Search engine optimization or search engine marketing

42%

Media or public relations

33%

Compliance workflow of marketing related content

27%

*Only 42% of firms task third-party marketers with search engine optimization (SEO) or search engine marketing, a prime way to attract new leads who are already searching for wealth management advisors.*



# Opportunities to improve marketing ROI

Some of the areas commonly supported by dedicated marketing staff are ripe for firms interested in differentiating their marketing efforts from their peers.

Company websites and an effective social media presence on LinkedIn are two areas where many advisors could reasonably expect to drive growth via a relatively low investment in resources.

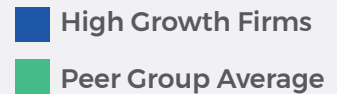
## Company websites

Websites aren't just a place to list services and contact information. They're an effective tool for firms who want to stand out from the competition. Firms experiencing the most growth generally understand this. They are most likely to post pictures and content that highlight the team's personality and culture (60%), an activity that can help deepen client relationships. They're also most likely to have refreshed their websites within the last two years (58%), ensuring their image does not go stale. However, in aggregate, the number of firms taking advantage of these opportunities remains low. Most firms simply aren't making the most of an important marketing channel.

Most firms' websites lack features designed to attract and convert leads. Only about a third of firms have a call to action button featured on their homepage. Even fewer use tools like embedded calendar widgets, lead magnets, or a blog on their websites. And only approximately 10% of advisors include details of their fees on their website.

*Higher-growth firms use their websites to engage and nurture client relationships. They are more likely to keep their sites updated regularly and post pictures and content that highlight the firm's personality and culture.*

## Characteristics of Firm Website



Pictures and content that highlight our team's personality and culture



Refreshed the design of my company's website within the last 2 years



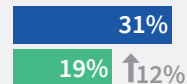
Clearly stated value proposition on the homepage



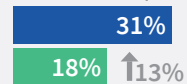
Call-to-action button prominently featured on the home page



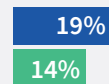
Calendar widget embedded to enable people to make appointments



Lead generation tools and resources to capture information on qualified website visitors



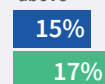
Blog section that is updated at least twice a month



Details on my fees and pricing on my website



None of the above





## Professional use of social media

Social media can help advisors build personal brands, build relationships, and draw new clients to their firms. But using social media to grow business is different from personal use. The most successful advisors understand that “social” is the key part of social media and use platforms in ways that build connections and drive engagement.

The majority of advisors (81%) use LinkedIn for professional purposes. Facebook also sees professional use, but only from 37% of advisors.

Advisors who use LinkedIn do so with the intention of expanding their networks (71%), building their personal brands (58%), and demonstrating their expertise (50%). Simply having a LinkedIn account is not enough to accomplish these goals, however. Advisors must focus on activities that generate engagement and connections to do so—but they frequently fail to do so.

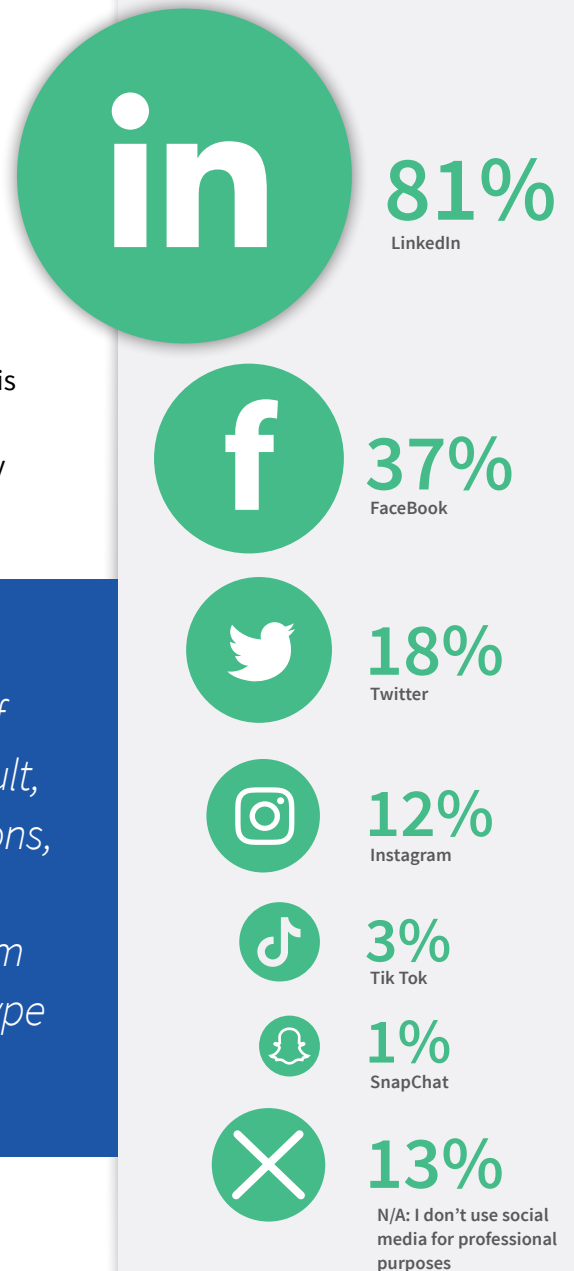
*Advisors are 25% more likely to “like” others’ posts than to publish posts on their own profiles. Only half are regularly sending connection requests. As a result, most advisors have just over 600 LinkedIn connections, giving them a relatively limited reach. And only a third of advisors are using LinkedIn to celebrate team members and share their passions, which are the type of posts that tend to generate high engagement.*



### Professional Uses of LinkedIn

71%	Expand your network
58%	Build your personal brand
50%	Demonstrate your areas of expertise
43%	Gain new clients
38%	Engage with existing clients
31%	Celebrate team members and accomplishments
29%	Share your areas of passion (e.g. community service, philanthropic activities, hobbies, etc.)
26%	Attract talent

### Social Media Networks Used for Professional Purposes





# Focusing resources for success

Growth isn't just about objectives, it's about behaviors. Although wealth management firms may intend to use marketing to grow, they aren't always putting the right resources in place to do so. Without the right people in place internally or through partnerships with strategic vendors to help execute a marketing strategy, well-intended efforts can wind up insufficient to drive growth, particularly in difficult market conditions.

Digital marketing has great potential to help firms reach new audiences, but high-reward activities like blogging and social media require thoughtful strategy and the ability to keep a finger on the pulse of fast-moving trends. Without dedicated people in the form of in-house staff or a third-party marketing team, these important activities can wind up drowned out by the many other priorities occupying advisors' time and attention.

Effective marketing also requires consistency. The more frequently you communicate with varied, engaging, high-quality content, across many channels, the better your results. Firms that recognize this and engage the resources to help them execute will be well positioned to differentiate themselves from their peers and grow in all markets.

*As firms juggle marketing activities with limited resources, it's unlikely any activity will get the attention it needs. Dedicated marketing staff, third-party marketing firms, and marketing automations can help firms optimize marketing efforts.*





FMG powers the only all-in-one marketing technology platform designed specifically for financial advisors. With modern websites, email and social media tools, multimedia content, and more, FMG's award-winning marketing suite makes it easy to build your brand, stay in touch with clients and grow your business — all from one platform. Our features solve the most time-consuming marketing tasks by supporting your digital presence to allow you to focus on what you do best, helping your clients. With over 40,000 customers, FMG offers a solution to match your marketing goals. Whether you're just starting or looking to expand your business further, our expertise is showing off yours. [Click here to learn more.](#)