

Your Q&A: What's the Best Marketing Angle for Wealth Advisors?

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QUESTION

What is an advisor's top marketing challenge when building a high-net-worth investor client base? How can those challenges be overcome?

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ANSWER

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Marketing is all about segmentation, and defining a segment initially by asset levels is a very good start.

However, it is a start only.

The top challenge for building a high-net-worth client base is in identifying a target market within that segment where you can build a custom offering and differentiate yourself. The world of high-net-worth investors is just too large and has too many diverse needs for any one advisory firm to tackle.

Why is this important? Well, in the advisor business, just about everyone wants the high-net-worth investor, so you need to find a way to stand out and be recognized as an expert in your niche.

Investors like working with advisors who understand their needs, work with other clients like them and can consistently deliver valuable service.

The keys to establishing that offering, and knowing what services you need to develop, is to first define a segment that is narrow, yet deep enough to support your efforts.

Segmentation criteria can include geography, profession, demographics, age, planning needs, money in motion, etc. There is basically a very long list of attributes that you can use within the high-net-worth segment to build a target market.

An easy way to do this is to list all of your high-net-worth “A” clients and use the aforementioned segmentation criteria as the headers for the columns. A pattern typically emerges for most advisors, and you can readily see who you are most cut out to work with and whom you most enjoy helping.

Examples may include such lucrative niches as small business owners who have just sold their businesses and are looking to replace business income with investment income. This can be a very attractive segment, and you can attack it by positioning your firm, value proposition, brand and service delivery as “We’re the guys in X location who specialize with business owners before, during and after the sale of their business.” Contrast this value statement with another advisory firm that just offers “Investment advice for high-net-worth investors,” and you can see the power in segmenting your market.

Bottom line is you should know your target market cold, build a service offering that meets those needs, and communicate in multiple channels with a powerful message. You will have accomplished your goal of building a high-net-worth business