

YourQ&A: How Do You Market Funds to RIAs?

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Marketing to the registered investment advisor (RIA) community requires a creative, thoughtful and non-traditional approach. The RIA marketplace consists of roughly 18,000 individual, small businesses representing more than \$2 trillion in assets. It is by far the fastest-growing segment in the financial services industry. However, it's also highly fragmented and segmented based on firm types (e.g., wealth managers, financial planners and money managers) and asset sizes, ranging from zero in assets under management to \$10 billion-plus. The key approach is to define your target segment within the industry, as these sub-segments all have different needs and business approaches. Once you've settled on a core segment that is ripe for your product, the next step is to craft a specific marketing message that resonates with that group.

Unfortunately, using mass-marketing techniques such as direct mail or e-mail is not always the most effective approach. Often, due to the "toe-dipping" and fiduciary approach of RIAs, marketers need to meet them face-to-face at trade shows, online for webinars, or at industry events. It's important to communicate directly through a business-to-business sales model. Testimonials, referrals, word of mouth and industry PR also play a very important role.

Lastly, in our many years of experience in marketing products and services to the RIA community, we've learned that it also requires patience. RIAs like to see track records, sustainability and high integrity from companies before they will adopt new technologies, investment products, or other business services. However, once they do become familiar and comfortable with a product or service, they quickly become loyal and fast-growing customers.