

# MARKETING/PR

## Help Your Advisors Recession-Proof Their Practices

BY CLAUDIO O. PANNUNZIO

**W**e've entered a recessionary cycle, and the volume of new business that financial advisors are able to generate has fallen off from a couple of years ago. As a branch manager, you've done your share of coaching and hand-holding of advisors on your team concerned about their clients' assets, and the future of their practices due to declining revenues. The stress of a recession dragging may prompt your advisors to blindly duck for cover and slash any marketing and publicity efforts.

Advisors need to step back and realize that, contrary to general belief, an economic downturn provides a unique opportunity to gain visibility, credibility, name recognition and market share. Just as in the investing game, when buying low and selling high, advisors want to achieve higher visibility for their practices when the rest of their peers are hiding.

The abundance of compelling evidence<sup>1</sup> demonstrates that continuing to engage in promoting their practices during an economic downturn can effectively help advisors achieve two key strategic goals: 1) sustain their overall business; and, 2) gain competitive advantage. Financial advisors should not lose sight of the fact that during a recession, consumers don't stop buying products and services, particularly financial advice. In reality, this is the time they need it most and seek it out.

Especially during challenging economic times, when investors seek to shield their life savings from the adverse impact of down markets and need to entrust their savings with highly skilled investment professionals, they are more likely to engage an advisor they recognize and have heard of. Stuart Elliott in an article published in the January 28th edition of *The New York Times* titled, "Is It a Recession Time? Marketers Seem to Think So," corroborates this notion by stating that, "...many

marketers spend the same — or even more — during hard times as they do during booms, on the theory that they must make sure to be remembered by any consumers who are still shopping."

Branch managers across the country should help their advisors understand that recessions are periods of opportunity — a time when larger advisors relinquish marginally profitable clients giving smaller ones the chance to capture them. A recession is also the time when advisors should concentrate on showcasing their investment skills and communicating to their clients and prospects the successful strategies and solutions they are capable of implementing to help investors deal with the severe financial climate.

**Reaching Out: How Far and at What Expense?**

Given limited budgets, what type of initiatives can financial advisors implement to capitalize on this opportunity through marketing efforts? More importantly, how can they effectively reach out to their key audiences without investing a fortune in marketing communication programs? Fundamentally, there are two approaches. The first is to think strategically, which entails attaining an intimate understanding of the thought process of clients and prospects and the "pain" they face. This knowledge will enable them to create specific messages to clearly convey how their investment expertise will effective-

ly address that pain. The second is to be proactive and leverage the power of media to achieve maximum exposure. By being in an article, the media acts as a third-party endorsement.

The following is a list of zero cost initiatives that financial advisors can implement on their own and that, as a branch manager, you may want to discuss during your Monday morning meetings.

### • **Become a Media Source**

There are three key reasons why an advisor should become a media source:

1. To achieve a higher purpose — reach people in the community to help them with their financial issues
2. To help them become recognized as an expert by building familiarity and credibility
3. To attract and retain clients

The best way for an advisor to break into the media is to think like a reporter and focus on what the problems are that the investing public is facing and offer solutions. Additionally, to think like a publicist and promote what is newsworthy about his or her practice. Editors consider stories from their audience's point of view and advisors should, too. Advisors can reach a large audience by doing this; one that they couldn't reach otherwise. Reporters are in the business of keeping the public constantly informed



— especially during difficult financial times — and advisors can help them do their job by providing timely, engaging and informative insights and comments on current issues.

### • **Volunteer Expertise**

Breaking financial news offer advisors an excellent opportunity to reach out to the appropriate reporter at a local newspaper or TV/radio station to provide a newsworthy point of view and provide an easy-to-understand recap of how the event may affect people and businesses. Once an ongoing relationship with a specific media venue is established, advisors should volunteer to write a weekly or monthly column or appear regularly on a broadcast segment. In the case of local newspapers, these publications traditionally operate with limited staff and often welcome outside authors.

### • **Write Byline Articles**

This is an article written by an expert source, not by a reporter. Having a byline article published in a local newspaper or trade magazine should be the first goal of an advisor. A byline article enables the author to demonstrate his or her expertise, focus on clients' challenges, offer proven solutions and tell stories by using examples and anecdotes; that's what readers will remember. This type of article helps establish credibility and becomes a powerful marketing piece that can be mailed to current and prospective clients, posted on an advisor's website, given out at seminars, and sent to current clients as a referral tool for passing on to others. It can also be a part of an overall marketing or press kit that can be mailed to other viable publications to showcase what you have written and published.

### • **Distribute News Releases**

Nearly 70% of articles in newspapers and trade journals are generated from publicity and

news releases. A news release is a one- or two-page tightly written announcement about a person, product, an anniversary, or service that an advisor can disseminate as a news item. This is not an advertising piece, but a tool to provide valuable and timely information or story ideas to journalists or staff writers. It requires an eye-catching headline and must convey a core news item written in plain English and in a non self-serving manner. Above all, it must answer the five W's of journalism: who, what, when, where and why.

Recessions are a natural part of the economic cycle. Now is the time for branch managers to step up to the plate and provide strong leadership to ensure that their advisors keep the lines of communication open with their key audiences and do not cut out the tools that will help them weather the storm.

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1. Profit Impact of Marketing Strategies, PIMS, a robust database that has been used to study the impact of marketing strategies during recession on profitability. [www.pimsonline.com](http://www.pimsonline.com)  
"Turning adversity into advantage: Does proactive marketing during a recession pay off?" *International Journal of Research in Marketing*, June 2005 [www.ijmr.com](http://www.ijmr.com)