

Human-Centric Investing Podcast

Episode 39 – The Affluent Digital Code: Online Strategies to Acquire High Net Worth Clients, Part 2

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Host: John Diehl, Sr. Vice President, Strategic Markets, Hartford Funds

Featured Guest: Kevin Nichols, Director of Coaching and Social Media at the Oechsli Institute

This is a Human-Centric Investing Podcast with John Diehl, where we look at the world of investing through the eyes of our clients. Over to you, John.

John Diehl: Hello, financial advisors. This is John Diehl, senior vice president of the Applied Insights Team at Hartford Funds. Welcome to Episode 39 of the Human-Centric Investing Podcast. Joining me, again, today for today's podcast is Kevin Nichols. Kevin is the director of Coaching and Social Media at the Oechsli Institute.

If you're not familiar with the Oechsli Institute, they do research on affluent investors and elite advisors, and they help us to understand what's working and what isn't when it comes to marketing to -- of financial advisors, especially in the -- in regards to today's topic in the area of social media.

And if you haven't had a chance yet to listen to Episode 38, the one immediately preceding this, I think it'd be very helpful because in that episode, Kevin talked a lot about the digital space and what search methods were used in terms of how do we be -- get ourselves located in advertising and how we get started with all that stuff, but today we're going to be extending that topic. And Kevin, first of all, I want to thank you for joining me, again, on today's podcast.

Kevin Nichols: Hey, John, I'm happy to be back.

John Diehl: So, we're going to talk about this content that we created with the Oechsli Institute titled, "The Affluent Digital Code." And you can find information about this content and actually a Workbook for Advisors at hartfordfunds.com/code. Again, that's hartfordfunds.com/code.

And you know before we get into this topic, I just have to add the disclosure that prior to implementing any of the strategies that we referenced in our content today, we urge you to please consult with your firm's legal and compliance teams about the social media policies of your firm and any requirements that are -- that are there to participate in social media programs if they are allowed because this is very important, right?

Social media is always developing and look, the folks in our compliance areas, they have rules that they have to live by, too. We want to make sure that we're not crossing that line even as we try to access information that's most accessible to consumers today.

So, Kevin, let's start off a little bit where we left off. We were talking about kind of the importance of these new means of communication -- I say, new, guys like me, they're new but, new methods of communication, but today, I want to off and speak specifically about how affluent consumers are using social media to find financial advisors. So, what is it that they're doing today? What are they kind of -- what is your research say about this?

Kevin Nichols: So, we research this topic for quite some time, right? How do the affluent (go about) searching for a financial adviser? And heretofore, it's something that you kind of all know intuitively and our research just kind of confirms it that it's primarily word-of-mouth, right? They ask friends and family and colleagues and neighbors who, do you recommend?

Now, that's really always been the case. Looking back at this research, and this is what makes this research so interesting to me is this is the first time ever that we had a segment of affluent investors that would start online, like that would be the initial point -- initial starting point for searching for

financial adviser.

So, if you recall from the research project, we research 403 affluent investors with at least 500,000 or more in investible assets, and we had three segments that we broke down by age, (kind of) under a 45 group, a 45 to 65 group and then a 65 and older group, and that under 45 groups that I would start my search by pulling out my phone or getting on my laptop and running a search which I'm telling you was just kind of earth shattering for us as a company.

And because -- I mean, and again, we just report to research but for us is that a telltale sign that this is good to be a growing trend. I don't know, but I bet that I could see it being the case. I mean, I think that's how we approach a lot of things nowadays when it comes to doing due diligence is that we have Google at our disposal. So, we pull up a search and we educate ourselves that way. We do ...

John Diehl: Kevin, can I ask the -- that searching. Did that vary by -- did you mention that that vary by age group or is it pretty consistent across the ages?

Kevin Nichols: No. It was the under 45 group. That was the primary ...

John Diehl: OK.

Kevin Nichols: ... way they would start and then, secondly, they would ask friends and family for recommendations. Now, the over 45 -- the 45-65 and the 65 and up group, they would start my traditional word-of-mouth, asking around friends and family and such. But again, this is the first time we ever had any segment of the research that said, "You know what, I would start online."

John Diehl: Well -- and I would think. I mean, even practically speaking, Kevin, your research was where would they start online, but I would guess that even if they didn't start online like if they type -- I mean, I know it's not in your data, but if I ask friends and family about who I should go see, you can darn well believe that I'd probably go online and check out who they recommended, right?

So, my start did -- I didn't start there, but online, there's probably in those cases, even a pretty major confirmation tool I would think.

Kevin Nichols: That's such a good point and we actually -- we did ask a follow-up question to this. We asked a question that I think it's upon exactly what you're referring to which if an affluent investor gets referred to you as a financial adviser, will they still look you up online? So, even if I'm your neighbor and I'm saying, "Hey, John, you need to talk to (Dan), my adviser. He's fantastic."

If I'm under 45, 94 percent of the time is a yes. I'm going to research you online even though you're referred; 45 to 65, said -- 94 percent said they would do that as well. And then the over 65 category, 83 percent said that they would run a search even when they referred -- were referred to an adviser. So, you just see the role and how important that digital presence is online.

John Diehl: So, it might not be fair to ask you this, but why do you think that changed? I mean, why the shift in the younger generation, especially to say, "Well, I'm going to start online versus starting with friends and family"? Any guesses?

Kevin Nichols: Yes. I think we could speculate a lot. I just -- I think it's more of a cultural thing. I think it's growing up with the technology. I think it's the how tied we are to our phones. I think that -- and I would -- I wish we could take a look at that data and drill it down by what means like are we looking through -- is it through mobile, is it through desktop? But I would bet that it's mostly mobile, right.

John Diehl: Yes.

Kevin Nichols: It's just ease-of-use. I mean, I -- we research almost anything. I mean, I drive my wife crazy because we could be at target and I'm researching toothpaste, right, because unlike before we buy, and she's like, "Hey, it's just toothpaste like just pick out something." I'm like, "Well, I want to see what's the highest rated, right."

And when you think about word-of-mouth and the trends like does that become more of a factor in terms of ratings and so forth? I think -- I think it does.

John Diehl: Well, you know Kevin the last time we talked a lot about how much time affluent investors are spending on Facebook with their conversations. Is that the tool that they're using to find financial advisors?

Kevin Nichols: Yes. So, when it goes about -- when we're talking about search for -- first and foremost, Google is the dominant player without a doubt. So, you're thinking about the intent of, I'm going to -- we do some research or seek out a financial adviser. The -- number one was Google. Number two was actually LinkedIn, which makes sense ...

John Diehl: Yes.

Kevin Nichols: ... I mean, professional, social network. I'm going to run a search on LinkedIn to see who I can find and then number three was Facebook. So, that's kind of the hierarchy in terms of the network said that they would use in terms of going about that initial search.

John Diehl: I just have -- is there a big difference between these tools or not so much?

Kevin Nichols: Yes. A huge difference, I mean, Google without a doubt was the dominant player and then after that then LinkedIn and then Facebook is kind of way down on the list when it comes to searching for a financial adviser.

John Diehl: So, what are some of the things I should be thinking about in terms of being found on Google if that's such a kind of a primary search engine?

Kevin Nichols: Yes. Good question. So, the first thing you want to be thinking about is having a really nice robust Google My Business profile. You want that to be complete. If you're kind of wondering what is that. It's basically a tool that allows you to take more control over your presence on Google, including the Search and Map.

It's just -- again, it gives you more controls. You can actually -- show -- have certain pictures up there or a bio up there. You can post regularly to it. That's probably the first thing I would start is with that Google My Business, then I would think hard about Google Ads. I would really consider thinking about certain keywords that you want to target in your geography that you're going after.

And I would take a course and maybe get even Google-Ads certified and that's not that hard to do. It's totally free through Google and learn about that and kind of pay to play a little bit because we've seen plenty of advisors get a number of new clients just from having some really good Google Ads and doing it consistently.

And then the third thing that you want to be thinking about just from a Google standpoint is just organic SEO. So, how do I -- not necessarily paying Google to display or as an ad, how do I -- just naturally pop up when someone searches financial adviser Greensboro, North Carolina. How do I elevate to the top of those search rankings organically without having to pay? And there's a lot involved with that.

You might want to consider hiring someone to help you out with some SEO techniques, but those are kind of the three main kind of things that I would be thinking about. Google My Business without a doubt, Google Ads is an easy way immediately to get at the top to the search rankings. And then third would be some organic SEO work.

John Diehl: Hey, Kevin, can you give me an idea of what would an adviser expect to pay. I'm sure that something makes it range all over the place. But what would I pay for a Google Ad, for example? What determines that?

Kevin Nichols: Yes. It's going to be based on the competitiveness of the keyword and really it's more of an auction where we're going to put in a certain budget. So, you can -- and you can play around with this.

You could say, I'm going to spend \$8 a day. All right. Let's just see how it does, and you're going (to be looking) to backend and see all the analytics and the number people driven to your profile and all (that good) stuff.

But it just -- it just depends, we have some clients who will spend, yes, \$8 a day. I have other clients who spend a couple of thousand dollars a month because they noticed that they're getting inbound phone calls from prospective clients who were searching for things like financial adviser, their location or fee-only advisor and their location or -- and again, you have to play around with that and look at and think about what someone is searching for.

The great thing about Google Ads is while there's a couple -- there's a lot of great things. One is the ability to (retarget) people, right? So, basically following them around the web once they've been to your Web site which I think is interesting in itself, and we've all experienced that, right, when we look at a product on Amazon or something and the next thing we know we're like -- we're seeing it everywhere.

You're on like, the Weather Channel Web site, and you're seeing ads for what you're looking at. You can do the same kind of thing and then the other like just benefit of running Google Ads is just the intent behind the person, right, like when you talked about Facebook Ads in the last episode which if you -- again, if you haven't listened to that episode, go back and give it a listen.

It's kind of the precursor to this one, but we're running Facebook Ads, you're kind of putting yourself in front of someone, and they're not asking for it, right? You're like they're swiping through that. They're going through their newsfeed or they're going through stories, and then all of a sudden, they're saying you're at, right?

So, it's like you're inserting yourself right in the middle of what they want, when they're -- when they're really just searching for pictures of the -- or grandkids or whatever.

So, you're -- it's more awareness and it's putting something enticing in front of them to try and get a lead, let's say a lead magnet. This is different. This is someone who has intent who is seeking out the advice, right, which makes it so powerful.

If I'm -- if I'm going online and I'm searching for financial adviser or financial planner in my location, I'm seeking it out, right? So, you can expect to pay more for that and you should want to pay more because you have someone who's kind of willing and ready to try and talk to you.

John Diehl: So, do you advise contacting clients where you get -- you have -- well, prospects, I should say, where you get an indication that they checked out your site. You -- do you respond to them right away? How do you follow up on that?

Kevin Nichols: Yes. Well, I mean, obviously, with Google Ads and some of the retargeting, what you can do is kind of follow them around through Google Display Network and like you can start showing up on apps that they're using or you can just be showing up on other Web sites that they're affiliated with. With the Lead Magnet thing which we talked about last time, that's a little ...

John Diehl: (Right).

Kevin Nichols: ... different, right, if I -- if I capture someone's information ...

John Diehl: Right.

Kevin Nichols: ... like they go to my Web site, I captured their information, I want to follow up quickly, and we talked about just the importance of speed to follow up ...

John Diehl: Yes.

Kevin Nichols: ... right and how that impacts responsiveness. So, that kind of stuff I'm calling them, I'm e-mailing them, I'm putting them in my newsletter, I'm dripping on them over time.

- John Diehl: How about LinkedIn, Kevin, because LinkedIn was kind of the -- if I were to say across the financial services industry, that was kind of the first social media platform that I think made great inroads. What about LinkedIn messaging, is it -- is it effective?
- Kevin Nichols: Yes. I love that question. I wrote a book on LinkedIn a few years ago with Matt Oechsli called the Indispensable LinkedIn Sales Guide for Financial Advisors, and we talked a lot about using LinkedIn to get introductions to spread word-of-mouth, right, to say, "You know what, I'm connected to John who's connected to (Dan), and I'm going to ask John for an introduction to (Dan)."
- And it works, right? It's great but the -- one of the things that we've done, and we've actually done this for advisors is run LinkedIn (Cold) Messaging Campaigns, and we asked -- and when I say (cold) messaging, this is what I mean. I mean, I don't know you, John, but I connect with you on LinkedIn and then I send you a series of messages that are designed to eventually get you on the phone with me, right?
- So, we asked the Apple in the study, would you respond to a LinkedIn message from an adviser? The under 45 category about 39, almost 40 percent said, "Yes, I would respond," 45 to 65 age group, 11 percent said they would and the over 65.4 percent. So, you see a huge drop off when it comes to age, right, like it -- the older demographic in the study is so much less likely to respond.
- The under 45 category much more likely to respond and, again, we could speculate all day long in terms of why that's the case but is it that they're just -- the technology is more native to them and that -- if it's personalized, they -- and then again, if you're going to do that by the way, getting outside of the data, you want to personalize that message as much as possible and everyone can see a copy and paste a mile away.
- But they seemed pretty receptive to it, and it's something that we run campaigns for advisors all the time where we do this for them, and they get plenty of meetings with prospects from (it).
- John Diehl: Hey, Kevin, another question. One strategy that we see this seems to be coming really popular with people is this idea about personal video message. It's like a one- to three-minute video shot from the adviser's desk and then they shoot it out by e-mail or whatever it is. (Has -- have you) done any research there? Is video more effective than traditional tech store? What are your thoughts on that?
- Kevin Nichols: Yes. So, another good result of the study, right, and this white paper, by the way, if you don't have it, make sure you get a copy of it because it just has so many good takeaways including this one, which is we asked the Apple, would you respond to a personalized video message from an adviser?
- And taking a look at the data, the under 45 category, 36 percent said very likely, 36 percent said likely. All right. That's pretty high. Forty-five to 65 category, 16 percent said very likely, 43 percent said likely. And in the over 65 category, 11 percent said likely and 37 percent -- sorry, very likely and then 37 percent said likely. So, you see a little bit of a drop off with age.
- I just -- I don't know if you -- have you -- have you ever gotten one of these messages, John? Have you looked -- had ...
- John Diehl: Yes. I have.
- Kevin Nichols: ... yes. Is it ...
- John Diehl: I think -- I think they're engaging. I really do.
- Kevin Nichols: I -- they do. It could be the novel aspect of it, right, but it's like if I'm on -- if I'm on here, and I'm waving, and I'm saying, "Hey, John. Hey, how are you doing? It's Kevin Nichols over at Oechsli." It just -- it just feels so personal and it feels like, "Wow, they took the time to do that."
- So, I could see that growing. I mean, there's a number of services that do this like BombBomb is one. There's one that we like using through (Wistia). It's called Soapbox. Soapbox like (you're up just) getting on your Soapbox, but yes, these are really cool tools, and if you can use them again from a

compliance standpoint, I think incorporating them into your marketing like how do you incorporate that into a LinkedIn messaging campaign?

How do you incorporate that into -- I just downloaded -- you just downloaded my Lead Magnet and now I'm sending you personal video message.

John Diehl: Yes.

Kevin Nichols: I just -- I just think that there's a novel aspect to that that helps get a response.

John Diehl: Oh, Kevin, in the time we have left, I mean, we talked a lot about all kinds of different things with that last episode -- this episode, and they all kind of boil up into the grand finale of the online presence, and you speak a lot about helping advisors build an online presence. What do you mean by -- what is an online presence? Is it just having a Web site or is it more than that?

Kevin Nichols: Sounds so abstract, doesn't it?

John Diehl: Yes.

Kevin Nichols: OK. What's your presence like online become ...

John Diehl: OK. It's good, yes.

Kevin Nichols: ... I mean, it sounds good. But it's -- for me, it boils down to a couple things. I mean, it's really anything. It's any existence of a business or a person that it can be found online. So, you think about like the existence of a person or a business online that is quote/unquote, "digital presence."

So, that boils down to things like Web site, right, you -- and also social media presence and also (content), right? So, Web site, you're thinking about SEO, you're thinking about Google Ad, you're thinking about all of those things, social media.

You're thinking about Facebook Business pages, LinkedIn Personal accounts, LinkedIn Company pages, maybe Twitter, maybe Instagram if that's something that you're able to do, probably not Snapchat or Tiktok at this point. But you're thinking about those types of platforms and then does that have a consistent branding and feel across them compared to your Web sites would all looks cohesive.

And then you're thinking about content that you're pushing out through those networks but, again, your Web site, you could be posting content but also through Facebook and LinkedIn and such you're thinking about social post, you're thinking about videos, you're thinking about blogs and articles and all of that kind of good stuff.

To me, the culmination of all of that is what is your social presence online, and there's no doubt in our minds and in from this research that it's just every day it's becoming more and more important.

John Diehl: And I was going to ask that did the research you did shows that this does make a difference to consumers, right, because the number of people who are viewing these types of post on Facebook or other platforms?

Kevin Nichols: Yes. I mean, you're going to -- we're talking about earlier, talking about just even if you got a referral that the person still looks you up. I mean, a lot of times, their first impression of you is actually a digital impression and so that's really, really important.

It's not like the old adage of like, "Oh, the first five seconds you meet someone. Now, it's like I'm actually looking you up online, and I'm coming into the conversation way more educated than I ever have before."

And for me, I love this report and I love this research. It's some the most interesting that I think we've done at Oechsli, and the partnership has been fantastic with you guys. The biggest takeaway for me is the (stat) that we started with today which is method of searching for financial adviser and that the

under 45 categories that I would start online first.

John Diehl: Yes.

Kevin Nichols: And that's got to be a growing trend. That's not just kind of screened off the page to us and it's either like you get ahead of them or you're going to eventually fall behind.

John Diehl: One, it would seem to me that when you talk about online presence that being consistent right across your Web site and what you're posting and all that kind of points to your value proposition. I know you point to three benefits of online presence, and to mention them by name, providing social proof and building trust and essentially being top of mind.

I'm wondering if just to touch on each of those real quick to point out to our listeners how important those three things are.

Kevin Nichols: Yes. I mean, the social proof element is just having a following, having a presence, being connected to other people. I mean -- and I hate to say it like this, but it's like if I'm looking up someone on Facebook and they have five people who like their business page and I look at another adviser and they have 2,000, there's some social proof there, right?

You think back to Cialdini and his book, what is it the Psychology of Persuasion -- what Influence: The Psychology of Persuasion, such interesting book. It talks about social proof and just the importance that that plays into how we make decisions. Top of mind is just on a regular basis, you're pushing out content.

You're dripping on people. They're seeing you, and then when they have the need, even if the need isn't right now, you are the one that they think of, and then building trust. Trust is through good content.

So, we didn't talk a ton about that, but like when you're even thinking about like what you're putting out there, are you just posting third-party articles where you're all you're doing is linking to other resources or are you putting out some original content that positions you as a thought leader.

And that over time, again, when I have the need, I've been reading all the articles from John, the local financial adviser in the area who is constantly putting out good content, and I'm ready to make a decision and well, of course, I feel like I trust the advice because you've been putting out good content. So, those three things are just invaluable, and that yet, it comes out a consistency and quality for me.

John Diehl: And I just -- Kevin, I do quite a few live webinars and I noticed in your research about how preferred medium is changing in terms of educational content, and I would love to think the people are going to come and visit our site to find out when our live webinars are, but actually what we found more valuable is recording video maybe in segments, maybe in chunks so that it's available for people On-Demand, not on my schedule, but on theirs.

And I noticed your research shows a pretty seismic shift in terms of kind of what people are looking for online. It's really not as much about the seminars and webinars anymore as it is about the kind of the constant flow of educational material, whether that's video or written articles, written post, those kind of things.

Kevin Nichols: Yes. I think people want to consume content on their own time, right, and I love live webinars. I think live webinars can have the place but, again, why not record it and host it on your Web site behind some sort of lead capture forum so that people can watch it when they want to watch it.

(Something) would like -- with a podcast or how people are consuming this content right now. You're doing it when you want to do it. The interesting thing about podcast is people can consume it when they're what exercising, right ...

John Diehl: Exactly, yes.

Kevin Nichols: ... when they're in the car, when they're doing other things, and that's just a growing trend, but to

your point about the video, the under 45 category so that is their preferred method of educational content from a financial adviser. And I've seen -- we're working with some advisors, and we do a lot of video production here at Oechsli, too, but working with some advisors, we're taking their traditional seminars.

So, let's say your Social Security seminar, right, the traditional seminar that you're doing and -- or on health care and retirement and recording that putting it in segments like you're talking about John, putting it on their Web site and saying, "Hey, watch our class on Social Security and take our class on health care and retirement. Take our class on RMDs. Take our class on the SECURE Act. Take our class on whatever."

And it's just -- and it sounds -- I even like the word class versus webinar, but I don't have data specifically on that. I just have data that video is becoming more and more popular. And I think the more that you can take that kind of stuff posted on a Web site, it's easier for you. But then -- but then what you're going to need to do is have some ads that drive people to it, then you're going to need to drive the traffic for people to actually take that kind of stuff.

John Diehl: And Kevin, as your clients engaged you on this kind of strategy, how quickly do you advise your clients to expect results from this? Like if I don't see anything next week, do I get totally discouraged or how long do you typically see things take to start to happen?

Kevin Nichols: Yes. That's a good question. I think that we have some client who have this very short-term mentality when it comes to digital marketing and that's -- it's not an ideal client for us, right? I mean, ideal client for us is someone who sees the long-term benefit and knows that like as we talked about that the trust it does take some time.

It's not that I just watch one of your videos, and now I'm so compelled that I want to do business with you. It's that, gee, I've consumed quite a bit of your content at this point. So, it's going to take some time, but if our clients who have been consistent with it for a year, a couple of years now, they are seeing tremendous results from it, but it takes time. It takes money. It takes effort.

Just like any other marketing activity. Just like if I said, "Hey, you're going to start (cold) calling, right. And you know it's like you're going to -- yes, which people still do nowadays, but back in the day, if you're doing that, it would be consistent. "Hey, how many dials are you doing every day, right?"

John Diehl: Right.

Kevin Nichols: And it's going to be number -- numbers and numbers. It's going to be the same type of thing here.

John Diehl: So, Kevin, given that kind of the entirety of the two podcasts that we just did together, if there was one thing you'd advise advisors to do today, what would it be?

Kevin Nichols: Yes. That's a good question. I mean, I -- it's -- there so many things that I would recommend, but I would say this. I'd say that if you've been somewhat apprehensive in terms of jumping into the digital space. If you've said, "Hey, this is a trend that's going to go away or it's overhyped," and just looking at this research to us is proof positive that it's not going anywhere.

That you need to get ahead of this stuff and that there's a big opportunity for, and I hate to say it first movers because it seems like yes, it's been around forever, but there's only a small sliver of advisors that I feel like that are really taking advantage of this opportunity.

So, take a hard look at your digital presence where we talked about what Web site, social media, as well as content and then commit yourself to doing it and saying, "OK, well, you know what, first, we need to do Website." Our Web site -- and maybe it kind of stinks, maybe doesn't do -- have all the features that we need, maybe it doesn't position as -- ourselves properly.

Start with that and then branch out into social media, then branch out into content and I am -- because I can't tell you how many advisors I talked to call us and say, "Hey, I want to run Lead Magnet

Ads on Facebook but they have a terrible Web site." I'm like, "You know what, you need to back it up. You need to start kind of there as your central hub and spread out from there."

John Diehl: Well, that makes sense. Well, Kevin Nichols, thanks very much for joining us on both of these podcast episodes. I really appreciate the time you took with us.

Kevin Nichols: Hey, John, I had a lot of fun, thanks for having me.

John Diehl: And for the -- those of you who are listening, again, if you haven't listened to episode 38, which was one immediately preceding this, please do so. Kevin shared a lot of good ideas on that podcast as well.

So, Kevin Nichols, director of Coaching and Social Media at the Oechsli Institute, and, again, if you'd like to make yourself available to the information that we've created to help you through this research and through this process, you can go to hartfordfunds.com/code. Again, that's hartfordfunds, all one word, .com/code.

And you'll see all of our research and material intended to help you unlock the affluent digital code. So, for all of you listening, thanks very much and we look forward to presenting to you, again, on the next episode of the Human-Centric Investing Podcast.

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