

Build on Success: 4 Steps to More Client Loyalty and Increased Trust

by Barbara Kay, LPC, RCC

Read & Listen online at: <https://bit.ly/JFPBuildSuccess>



Barbara Kay, LPC, RCC (www.barbarakaycoaching.com), is a business psychology and productivity coach, speaker, and author. She coaches financial professionals nationwide. A longtime member, she writes, speaks, and provides professional development for FPA members.

WELCOME TO MARCH 2021. We are now one full year into the global pandemic. The stresses of last year brought challenges and unforeseen opportunities. Let's start with the challenges. They led directly to opportunities for this year.

The Challenges

The challenges of 2020 eroded trust in governments, institutions, leaders, and media, globally. The Edelman Trust Barometer, an index of the average trust in non-profit organizations, business, government, and media, found that:

- Trust in all types of information sources is the lowest recorded by Edelman.
- 59 percent believe both journalists and news organizations intentionally mislead their audience to promote a specific ideology.

- More than half of people believe that government leaders (57 percent) and business leaders (56 percent) purposefully mislead people with falsity or gross exaggerations.
- The media and the government are now considered both incompetent and unethical.

Proactive communication will continue to build client trust and loyalty.

To put a human touch on these statistics, I asked a national sampling of advisers to describe what clients are “experiencing, feeling, and thinking, now in 2021.” Notably, clients across the nation have shared interests, needs, and concerns. Clients across the political spectrum are disturbed by the hyper-partisanship and rancor among politicians. The impact of this differs. One adviser aptly used the term *fragmented* to describe the range of client perspectives. Another pervasive experience is fatigue. Understandably, people are more than ready for a semblance of normalcy.

Clients are also wondering about the financial market going forward. They see a disconnect between how well the market recovered in 2020 and the economic hardships caused by the pandemic. Questions about taxes and other changes coming with the Biden administration are common as well.

On the upside, many clients entered 2021 with optimism. They are grateful for their blessings. In addition, they are confident that Americans and American businesses are innovative and resilient. The speed of vaccine development by U.S. pharmaceutical companies, and rapid innovation by large and small businesses, are celebrated.

These anecdotal comments reflect Edelman's trust data on government, media, non-profits, and business. While non-profits received the best score for ethics, business is the only category that received positive scores for both ethics and competence.

That leads us to the good news and opportunities to increase trust with clients and prospective clients in 2021.

The Opportunities

Clients want and need human advice. Many advisers focused on proactive and regular client communication throughout 2020. They ramped up digital tools to engage clients by video, phone, email, and webinars. They tapped into experts to provide quality information across various formats. My anecdotal survey revealed clients greatly appreciated this proactive guidance. It calmed fears, provided reassurance, and built confidence. Bravo, for all the hard work advisers did to stay connected to clients. When the world is thrown into turmoil, comforting assurance is a powerful restorative. The power of human connection, even virtually, is born out by the formal data as well. The 2020 Global Trust Report by the CFA Institute found:

- 73 percent of global investors prefer a human

adviser over a robo-adviser.

- 48 percent of global investors would pay more for personalized services.

American investors are particularly focused on human advice. The survey found:

- 70 percent of U.S. investors believe a financial adviser will be *more* important in the next three years.
- Among 15 major global economies, Americans are the most interested in having a personal financial adviser.
- 81 percent of U.S. investors use a financial adviser as their preferred source for trusted advice.

A December 2020 report from the consulting and research firm, Spectrem Group, confirms these interests continued during the pandemic. In fact, years of Spectrem Group surveys show the primary reason an investor chooses an adviser has remained reliably consistent. Investors select an adviser they feel is honest and *trustworthy*. Their most recent study digs into what continues to build client trust, over time. When asked which adviser behaviors build trust, Spectrem found:

- Serving the client's best interest was the number one way to build trust. Eighty-three percent of clients identified *looking out for my best interests* as the top trust-building behavior.
- The second was proactive communication that is personal, relevant, and specific to the client's financial needs and goals.
- *Adequately* providing desired services was third.
- Lower on the scale was: avoiding mistakes (fourth), fees that reflect perceived value (fifth), and admitting any errors (sixth).

This confirms top client priorities. Proactive communication will continue to build client trust and loyalty. In fact, a number of advisers reported increased referrals in 2020, despite the lack of in-person meetings, informational events, and social

gatherings. People needed human advice, and they went to advisers to get it. This is encouraging and highly clarifying.

Practical Steps

Four practical steps arise for this year and beyond.

(1) Be Human. Technology was a big priority last year, but it was just the vehicle for delivering what clients really want: personal connection and guidance. I believe in-person opportunities are still important.

As we know, onboarding and discovery meetings create a bond that's difficult to recreate virtually. We look forward to those again, with new flexibility. What constitutes a meeting has been redefined, providing more opportunity to have meaningful discussions, any time, anywhere.

Understandably, people are more than ready for a semblance of normalcy.

(2) Keep up Proactive Communication

Advisers report they communicated with clients more frequently and more efficiently in 2020. Rather than a few in-person meetings a day, advisers scheduled multiple virtual meetings. As a result, they had more personal communication with more clients in 2020. In addition, people adjusted well to new technology. Even initially resistant clients adapted to engage fully in virtual meetings. In fact, you may find clients prefer the efficiency of a videoconference. It's a timesaving measure for them, too. Keep up all that proactive communication from 2020. It worked.

(3) Show How You Focus on Client-Specific Interests. Of course, you're focused on the client's best interest—that's your primary job—but how often do you explain how the details relate to their specific interests? Consistently? If so, great! If not, they may be focused on the processes instead of the personalized meaning. I recommend two techniques to subtly highlight personalized service.

First, use meta-communication to connect your ongoing efforts to their specific interests. Meta-communication explains what's not being identified in the details of a conversation. It shifts the focus away from the particulars and points out something else. Use it to highlight the bigger picture: the purpose and the personalization. It's a gentle reminder that you are working consistently to deliver personalized service.

- Here's an example of a statement that focuses on the work processes: *"Jane and Joe. This year, we have a lot of uncertainty. I thought it important to adjust your portfolio to protect against volatility. Here's how I've adjusted your portfolio."*
- Here's that same statement with a meta-communication twist: *"Jane and Joe. This year, we have a lot of uncertainty. I thought it important to adjust your portfolio to protect against volatility. Here's how I've adjusted your portfolio. I'm doing this because we've talked about what's most important. You've told me (restate their interests). I've used this strategy to meet your specific goals."*

Second, walk down memory lane. Recall the goals and accomplishments you've achieved over time. Make it personal—their home purchases, their kids, their job change, etc. It will remind clients you've been paying attention to their specific interests. As an added bonus, it will reinforce all your successful work on their behalf. It takes only a few sentences, so sum up and recall milestones of success.

(4) Deliver Personally Relevant Guidance.

Notably, the formal data and informal anecdotes on what client's value did not mention generalized marketing content: no form letters, newsletters, blogs, videos, or social media posts.

My colleagues in marketing will raise a hue and cry if I diminish the value of generalized marketing efforts. Let me be clear: I'm not recommending you stop your marketing efforts—just the opposite. I spoke at a conference (before the lockdown) where the digital chief of a very large firm spoke about adviser marketing. Based on a huge volume of data, he reported advisers who “touch” their clients once a month have more clients—and more new clients—than those who do not. He highlighted the value of all their advanced digital tools to execute multiple touches. Then he concluded by encouraging everyone to rely on the most powerful marketing tool: personal communication. His last words

were, “Pick up the phone and talk to your clients!”

The power of digital marketing is automation. It gets your name and ideas in front of clients on a regular basis, and with efficiency. Automated general marketing ideally provides more time for personalized communication.

Build on Success

Winston Churchill led Britain through the crisis of World War II and was integral to the international post-war recovery. He famously said, “Never let a good crisis go to waste; it's an opportunity to do things that you could not before.”

The crisis of 2020 provided opportunities to deepen client relationships in innovative ways. It clarified what's really important: staying connected to clients. Build on your innovative efforts and success. Your clients will thank you! ■

FPA

Let's Change Tomorrows™ and Let's Start Today

The Financial Planning Association® (FPA®) is committed to supporting your success throughout your career journey. Our community is your knowledge hub, inspiration source, career fuel and cheering section, all rolled into one.

We hope you will join us as we work together to help you learn, expand your network and grow your business. We look forward to welcoming you as our newest member.

Become a member now at [joinfpa.org](https://www.joinfpa.org)