

DEVELOPING A MARKETING PLAN

In the fourth of his series of articles, David Cox, MD of Suuqea, a consultancy advising intermediaries, looks at why developing a marketing plan is essential in giving your business a competitive advantage over the competition and is an important step in becoming a “modern IFA”.



The activity of marketing is something that happens naturally every day in every walk of life yet, as soon as it is applied in a business context, it suddenly seems to take on a mystique that turns it from a natural process to a “Dark Art”. I have often heard marketing referred to as “something that makes selling easier” and that may well be true but, in the context of financial services, I am sure we can recall irresponsible marketing activity that has led to numerous mis-selling events.

For a modern IFA business, marketing should be viewed as the process of promoting the services of the business to potential and existing clients so as to demonstrate how individual client needs can be satisfied. It is about forming and building the relationship between your business and its clients.

We live in an extremely volatile and ever changing world. This means that the challenges business owners face in marketing their business change on a regular basis. Many IFAs have been around for a good number of years and the danger is that, over the last 10 years, some business owners have developed an approach to doing business which today is in danger of no longer being effective. As an example, seminars on inheritance tax planning have long been a profitable source of new

business but, following the recent changes in respect of the Nil Rate Band, these are no longer as well attended as they once were. The challenge today is to find a new recipe for success.

So, when it comes to constructing your marketing plan, it is important that a flexible and responsive approach is adopted. The objective must be to move a Prospect to Client and ultimately reach a position where your clients act as advocates for your business. This way you will lock in your client relationships and retain them for mutual benefit in future years.

There are three key stages you need to consider when developing your plan:

1 Understand your customers. This will include using as much information as possible to determine which of the services you offer will be of benefit to them with the majority of this information being collected through the fact finding process. You will then be in a position to cluster clients with similar circumstances together in order to allow your businesses resources to be used most cost effectively.

2 Understand the effect of world events on individual client groups or indeed, in particular circumstances, on individual clients. For example, current events may mean that your clients are looking for reassurance or guidance on de-risking their investment portfolio.

3 Create awareness with your clients of what you do and why this will be of relevance to them. The aim is to motivate them to want to find out more your business and to create an intention to take action.

When you have designed a plan that you are happy with, you need to ensure that it is backed up by good quality service. The marketing material must be of good quality, the actions of your business must inspire trust and clients should get caring and individual attention. If they do, then your marketing plan will be effective in developing profitable customer relationships.

Today, any article on marketing plans must include reference to the internet and the need to balance traditional marketing activities with the concept of e-marketing. For the modern IFA business, a web site is an absolute must. Many potential clients will use the internet for background research on your business and, if you do not have a web site, this will have a negative impact on the perception of your business.

In respect of web sites, these can range from a simple information only site to something more complex aimed at developing the client relationship through facilities like on-line valuations or a library of reference material.

This approach to developing your marketing plan will ensure both you and your client give and receive loyalty and respect. It will not discriminate against anyone and it will demonstrate your businesses integrity and honesty.

In conclusion this approach will give your business a competitive advantage and it will also be an integral part of demonstrating how you treat your customers fairly.

In the fifth article of this series, David Cox will look at the importance of successfully managing change in your business.