



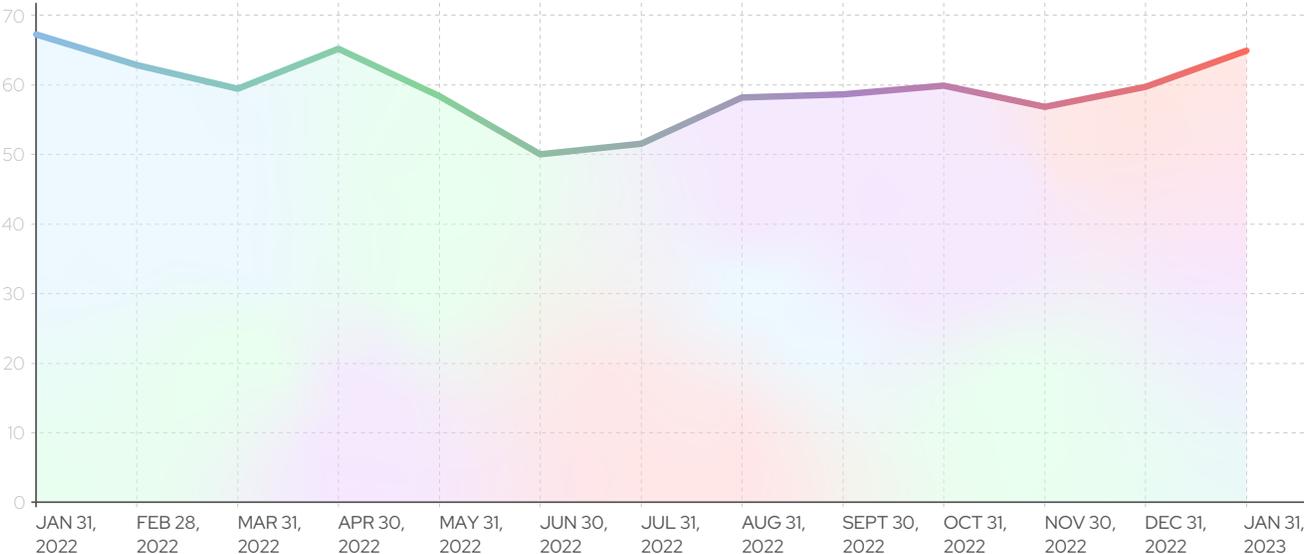
The Future of Financial Advice in a Virtual World



How to Capitalize on the Top Financial Advising Trends in 2023

2022 brought the world unrelenting inflation, central bank interest rate hikes, geo-political instability, and fears that we have [yet to see the worst of it](#). Many economic experts still predict that a recession in 2023 is likely; unrest is being fueled by [aging populations](#) and the potential for [retirement age increases](#); and supply chain issues lingering from Covid-19 and the ongoing war in Europe have made the markets even more unpredictable. Given these concerns, consumer sentiment [reached an all-time low](#) of 50 points in June 2022. And while there was a slight uptick at the end of the year to 59.70, this is still far below [the historical average of 85.81](#).

US Index of Consumer Sentiment

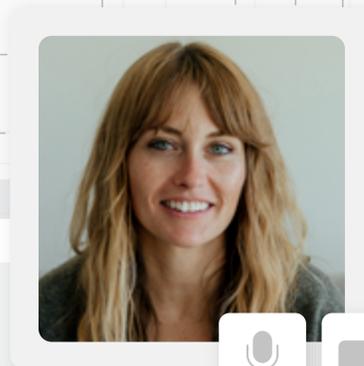
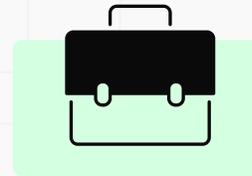
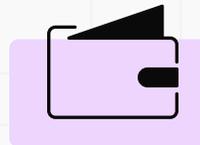


Source: The US Index of Consumer Sentiment (ICS), as provided by University of Michigan

As economies sputtered last year, remote work, remote meetings, and remote shopping ([43% of Gen Z fashion shoppers shop mostly or exclusively online](#)) continued to increase. The average person in 2023 is now more comfortable and accustomed to remote connection than ever before, especially younger generations—nearly [90% of Millennials and Gen Zers](#) desire at least some level of remote work. Employers are finally adjusting, and a 2022 year-end study from Mercer found that 94% of employers feel that [remote work productivity has been the same or higher](#) than pre-pandemic levels. Young consumers are also now more inclined to meet remotely with service providers as over [70% of Millennials, Gen Z, and Gen X prefer telehealth](#) because it's more convenient.

90%

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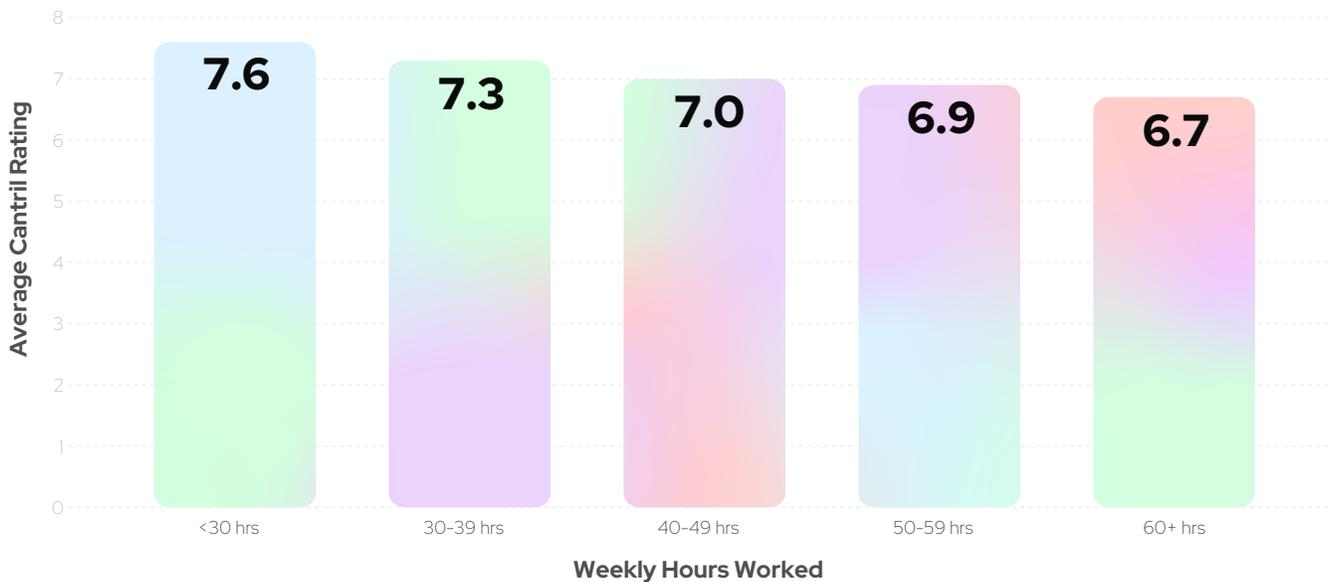
71%

CONSUMERS EXPECT PERSONALIZED INTERACTION

Despite the increased desire for remote connections, consumers now demand more personalization and customization from product and service providers. Many of the biggest brands [invested heavily in personalized experiences for their shoppers](#) during the pandemic. Coupled with advances in personalization made by tech giants like Amazon, consumers are now accustomed to high levels of customer service and will quickly leave brands when they don't receive it. According to McKinsey, [71% of consumers expect personalized interactions](#), and 76% are frustrated when they don't receive them.

Advisors are struggling to deal with this volatility. A recent study from Kitces found that low-performing professionals are spending five hours more per week working but are [managing 33% less revenue than their counterparts](#). In addition, struggling advisors are spending almost one-third less time actually meeting with clients. To avoid burnout and achieve their goals in 2023, financial advisors need to find ways to spend more *meaningful* time with their clients.

Advisors Wellbeing Declines With Increasing Weekly Hours Worked



Source: The Kitces Report, Volume 2, 2021 - What Actually Contributes To Advisor Wellbeing

The financial advising industry is experiencing a large disruption. Advisors need to adjust their consulting practices to provide empathy, hope, and reliable guidance, all while creating more personalized and increasingly remote experiences. In this guide, we outline the state of financial advising and planning in 2023 and provide insights into how you can optimize your financial planning practice to both draw in new clients and increase your retention of existing ones.



5

Keys to a Successful Year

1

Reach a New Set of Wealth Management Clients

The combination of the volatility in the market and the increasing accessibility and convenience of personal investing has rocked the entire financial world. Some have come out of it with unprecedented gains in capital, while the majority weren't so lucky.

Understand Millennials and Gen Z and their investment goals

Lockdowns and stimulus checks led to a surge in Millennials and Gen Zers using apps to manage stocks and more complex financial instruments like options. However, not everyone made money, which led many to seek professional financial advice for the first time in their lives. An entire demographic that only a few years ago was unlikely to pursue such a service is [now driving growth in the industry](#), in large part because they are finally building meaningful wealth for the first time. In fact, [Millennial and Gen Z wealth grew](#) from \$2.9 trillion to \$3.6 trillion between 2021 and 2022, the biggest jump for any generation.

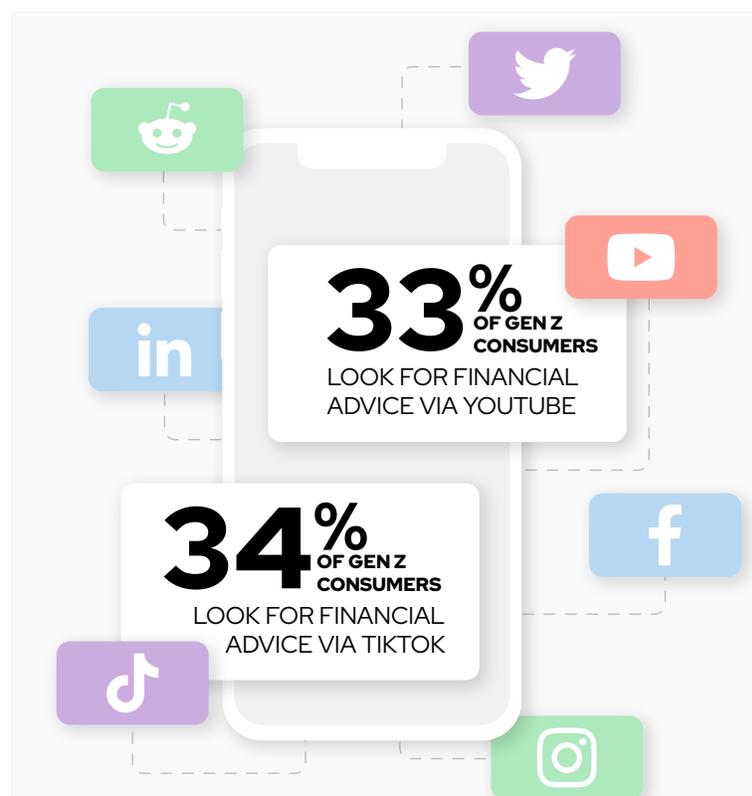


Embrace new media

Forget radio and even TV—these generations have very different means of consuming news, information, and financial advice. [According to Smart Asset](#), 34% of Gen Z consumers look for financial advice via TikTok and 33% from YouTube. Traditional marketing simply won't cut it.

In addition, just 24% of Gen Z consumers go to a professional for any sort of financial consulting. Millennials are hardly better - only 26% use financial advisor services. So, while many have made the switch, there is still a massive potential audience out there for financial advisors.

Unfortunately, the same study cites that 97% of financial advisors say that they've never even used TikTok, and the majority of them hardly touch Instagram, Facebook, or YouTube. If financial advisors want to keep and grow their business, this should change in 2023. Start adapting today so that you're ready for tomorrow.



2

Maintain Frequent Client Contact (Even If It's Automated)

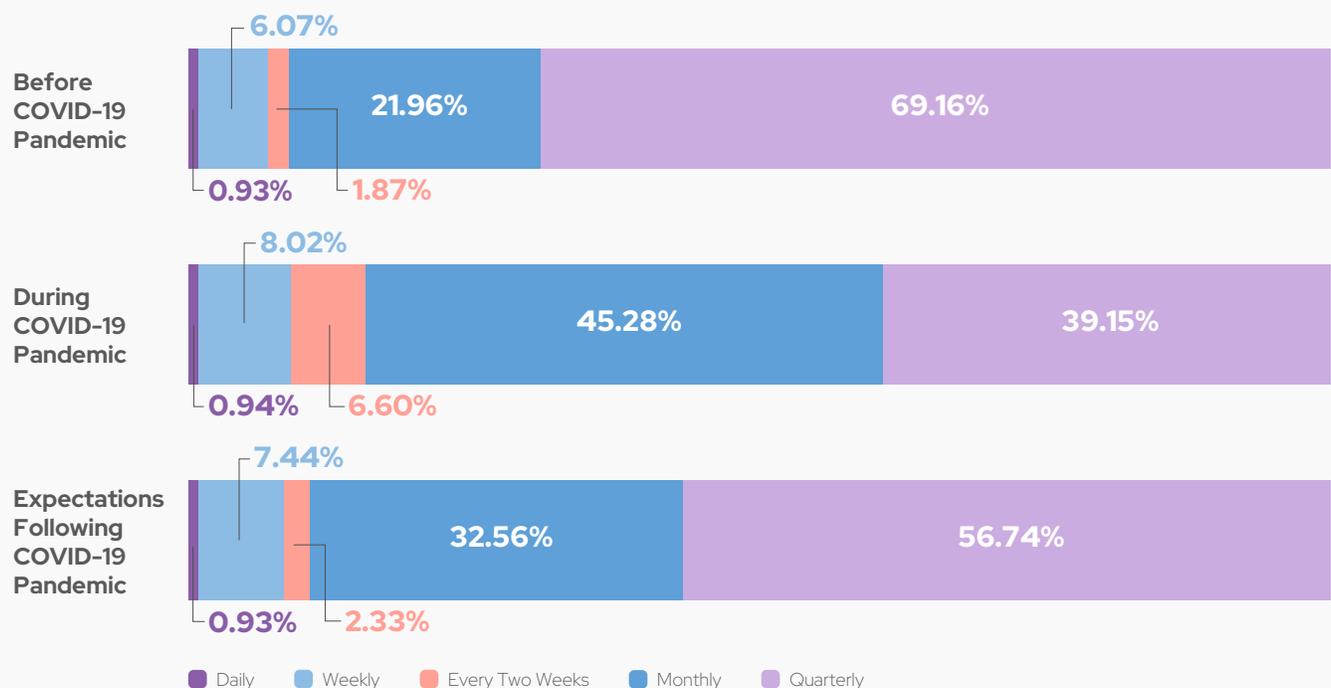
Although consumers are less willing to interact with another human when seeking customer service, they still want to maintain contact. Thankfully, AI, chat bots, and other self-service options are available to resolve support issues or for proactive outreach (like to remind a client of their upcoming appointment). Modern technology gives businesses the tools they need to maintain constant contact with their customers, without employing an expensive team of humans to manage it.

Embrace virtual communication

Virtualization is a key part of this process. Remote meetings are here to stay and virtual doesn't have to mean robotic. Improved software and technology now allow businesses to maintain most of the pros of in-person meetings (screen-sharing, background noise filtering, automated notes, etc.) while eliminating cons like sitting in traffic or stale waiting rooms. In fact, [nearly half](#) of financial advisors reported meeting their clients more frequently in 2021 and 2022, and over half reported that they initiated contact more often than prior to remote communication.

This technology also saves a significant amount of time for both the client and the advisor. Not only does this add convenience to the process, but it allows money managers to schedule more regular client/advisor meetings. Eliminate the stress of annoying commutes, offer your clients more flexibility, increase your availability to reach out to existing clients more frequently, and expand your portfolio to new customers.

How Often Do Financial Advisors Reach Out to Clients?



Source: SmartAsset. 2021 survey

Maintain in-person communication when possible

At the same time, it's important to remember that some clients still prefer to meet in person, at least part of the time. For instance, only [51% of those who are 60-69](#) are comfortable with remote meetings, while that number drops below 50% for people in their 70s who are seeking financial advice. Personalization means being available to meet how and when your clients want.



Appeal to New Investment Values

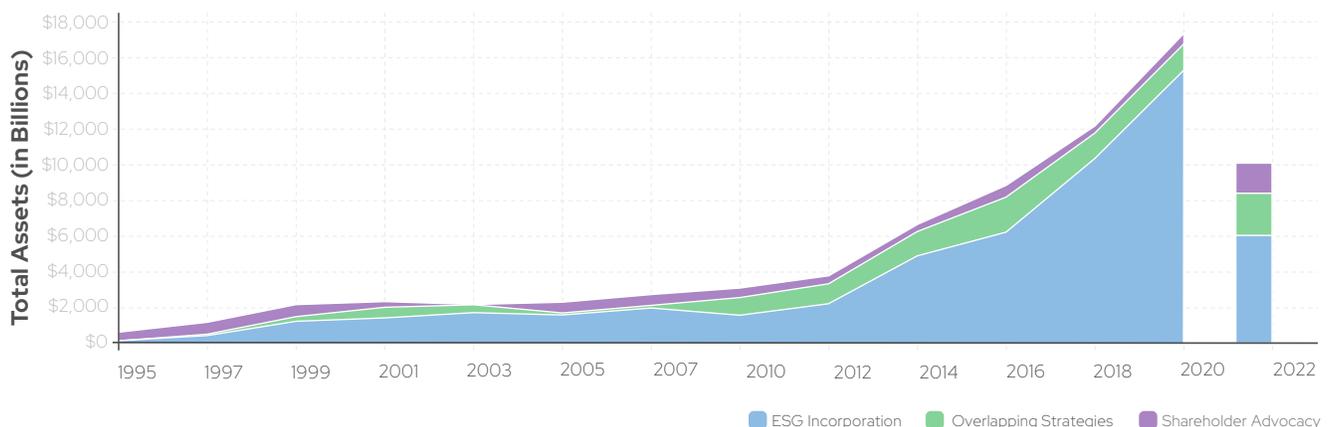
The past few years have seen a major shift in the values among those investing their money through a financial advising firm. Consumers are no longer simply seeking financial advice on how to maximize their returns through any means necessary. While growing a nest egg is a vital end to any investing strategy, clients are putting increasing importance on how their money is made.

The rise of ESG investing

87%
**OF MILLENNIALS
THINK ESG IS
IMPORTANT TO
THEIR INVESTMENT
DECISIONS**

In a recent survey, Bloomberg found that [87% of millennials think ESG is important to their investment decisions](#). ESG, which stands for Environmental, Social, and Governance, is a concept that seeks to rate companies based not just on their long-term profitability or growth trajectories, but also their impact on society and the planet. Some investors will want to add more investment behind companies with stronger ESG background while others will completely exclude companies that are deemed antithetical to their personal values such as tobacco or fossil fuel companies. Financial advisors should be receptive to these concerns and not solely focused on providing recommendations based on profit.

The growth of ESG investing in the U.S. from 1995-2020



Source: US SIF Foundation

Note: Assets under management in 2022 represent US IF's new modified methodology

A breakdown of different types of ESG investments



Environmental

- Carbon emissions
- Air and water pollution
- Deforestation
- Green energy initiatives
- Waste management
- Water usage



Social

- Employee gender and diversity
- Data security
- Customer satisfaction
- Company sexual harassment policies
- Human rights at home and abroad



Governance

- Diversity of board members
- Political contributions
- Executive pay
- Large-scale lawsuits
- Internal corruption
- Lobbying

Value-oriented investing is here to stay

Most financial industry experts agree that this didn't even emerge as a viable investment trend until 2014. Since then, according to the US SIF Foundation, it's seen exponential growth. Their [2022 report on sustainable investment](#) estimates that there are now \$8.4 trillion in total assets managed by professional investment services. This number represents 12.6% of the total market share.

Such a trend cannot be sustained without vast consumer interest and confidence. And despite claims that this trend will begin to reverse, the industry has yet to see much evidence of that happening. Financial advisors must, therefore, prepare to accommodate this segment of investors. Offer a holistic approach to investment strategies to reach a larger audience. While more traditional investment strategies still represent a much larger share of the market, ESG investment is certain to be an even bigger financial advising trend in 2023.

8.4 trillion
**ASSETS MANAGED
BY PROFESSIONAL
INVESTMENT
SERVICES**



Plan Your Firm's Marketing

While demand may be increasing for financial services, competition is as well—and not just among firms. [Robo advising is now a \\$5 billion market](#) growing at a rate of almost 30% CAGR. Couple with digital-only remote advisory services, it means that incumbent advisory firms need to find new ways to attract customers.

Go beyond traditional marketing

To attract digitally-savvy clients, financial advisors need to look beyond local radio, TV, or direct mail. The good news is that digital marketing can be a cheaper, more-targeted way to reach customers if done correctly. Building a website and a blog that is optimized for search engines is a great long-term growth strategy that doesn't require marginal costs per click or view. Creating social media accounts, and posting consistently, is another low-cost way to stay top of mind for clients.

Here is a full list of marketing strategies to consider trying:

- Improve your content marketing
- Get featured on review and comparison sites
- Increase presence on directories
- Create high-quality gated content
- Host informational webinars
- Improve your website experience
- Video marketing
- Email marketing
- Host events
- Grow a social media audience
- Add more targeting paid advertising

Planning your 2023 marketing efforts

Remember that there is a whole lot that goes into marketing any financial advisory firm. Embrace the new, but don't forget what's made you successful in the past. Use a combination of these but really focus on the customer experience you provide in 2023.



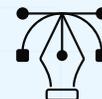
Content Marketing

- Blog writing
- eBooks
- Videos
- Landing page optimization
- SEO
- Social channels



Affiliate Marketing

- Review sites
- Comparison sites
- PPL campaigns
- PPC campaigns



Personalized Marketing

- Host events
- Plan webinars
- Cold outreach
- Email marketing
- Improved CX

Market the client experience

With the advent of investing apps like Robinhood, consumers now expect immediate, visible results when managing their stocks. To compete, financial advisors need to rethink how and when they present data to their clients. It's important to think about the complete client experience:

1. **How often are you showing results to your customers?**
2. **Is it easy for them to find this information on their own?**
3. **Are you presenting information in a readily-digestible way?**

It's important to remember that while you aren't directly competing with Robinhood, you can incorporate aspects of their app. Allow your clients to seamlessly check their portfolio, monitor any action, and contact their advisor or customer support. In 2023, this is best done through proprietary apps or user portals on a website.

Creating a frictionless experience is a key part of attracting new customers. It shows potential clients that they will have full transparency, more control over their money, improved security, and fewer frustrations. Overall, improving this end of the user experience will add a significant selling point during the decision process and improve the lead-to-sale conversion rate.



Keep Financial Advising Highly Personalized

Ultimately, creating a personalized experience for your clients in light of more services and communication moving remote is the key 2023 trend in the financial advisory industry. The idea of a tailored-made portfolio is no longer just a buzzword. And the rise of extraordinarily personalized services, like Netflix and Amazon, has left consumers desiring more of it in every industry.

In the end, clients crave a strong connection with their personal financial advisors. Such personalization creates trust. This is at the heart of a successful advisor/client relationship and the key to long-term success for any advisory firm.

Of course, the key is understanding how to build such trust. It's not an easy task, and it's certainly not one that occurs overnight. Advisors must take several approaches to foster a more personal and, ultimately, trusting relationship with individuals in their portfolios.



Personalization
creates trust.

Get the right CRM

Choosing a customer relationship management software for a client portfolio is a critical step for both increasing the conversion rate from lead to customer as well as providing a better experience for existing clients. These systems organize and store client data and communication history, send notifications, and automate outreach.

For financial advisors, in particular, CRM software can identify opportunities to cross-sell additional services, optimize individual wealth plans, and accelerate task completion and documentation. It helps advisors stay up-to-date with their customers, ensuring more frequent communication and thus improving client relations. Ideally, it can help you identify your clients' needs before they even recognize any themselves.

Provide a holistic advisory approach

Consumers are also increasingly interested in holistic, all-in-one services. Wealth management firms that create a one-stop-shop for anything financially related will appeal to a much larger audience. Think about what advisory services to offer to cover a wider range of issues.

For some, this will include health insurance guidance. It's never been harder to navigate state-by-state open enrollment, Medicare, supplemental insurance, HSAs, HMOs, and a whole lot more. HSAs, for example, might be used as part of a retirement plan to help pay for future medical costs.

End-of-life planning is another key area to consider. It's important to align current investment strategies with each client's desire for how their money will be handled after their death. Speak with all clients about their wills, living trusts, estate planning, beneficiaries, and any additional major assets they may have.

Finally, help plan for any significant anticipated costs. Most of those seeking personal financial advisors have major expenditures on the horizon, such as their children's college education, real estate investments, or retirement. Learn more about each individual's short and long-term plans to provide a more personally-curated experience.

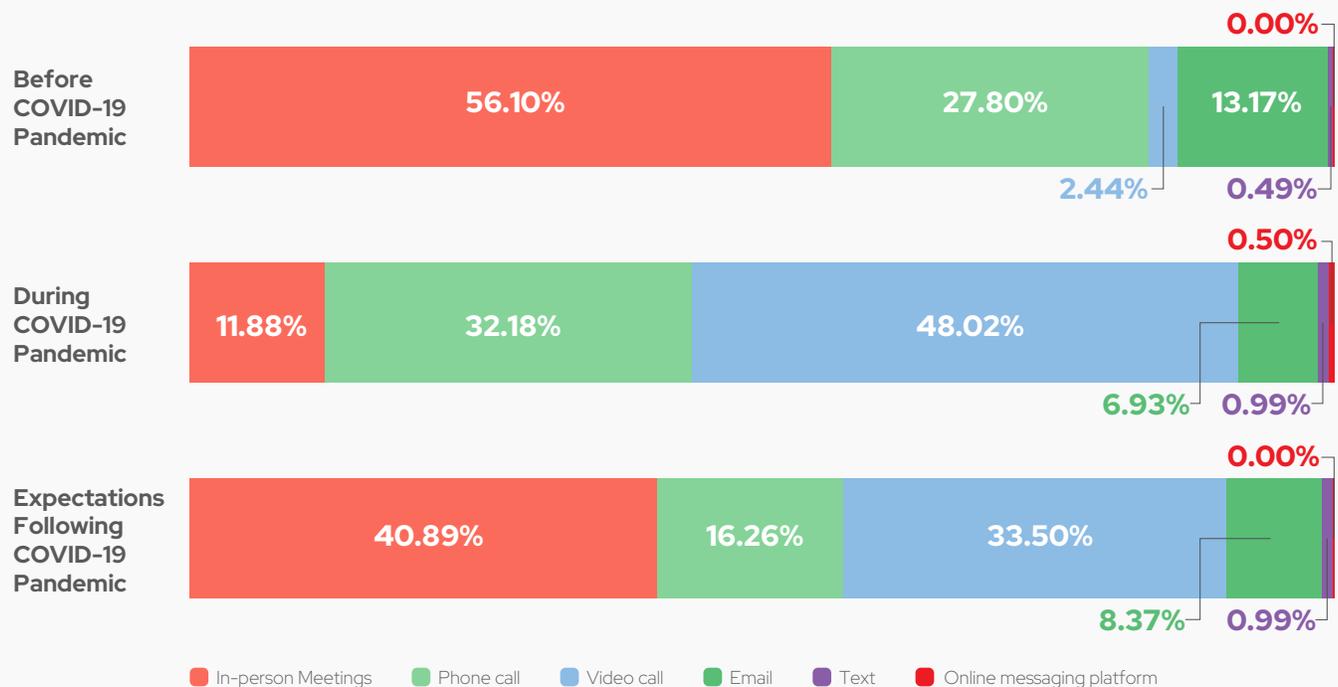
The Conversation Hub provides advisors with well-integrated tools to enhance the client experience.

Invest in virtual meeting technology

Virtual meetings are here to stay. Prior to 2020, [less than 10%](#) of advisors had a portfolio of clients that was even half remote clients. Now, about one-third of financial advisors are primarily meeting their clients in a remote setting, which means that virtual meeting rooms are the new office space.

Tools like [The Conversation Hub](#) allow financial advisors to better prepare and conduct remote meetings with their clients in a purpose-built virtual meeting space. It also provides advisors with well-integrated tools to enhance the client experience and, ultimately, scale your firm to a wider audience. Advisors can use **The Conversation Hub** to differentiate themselves by delivering branded, personalized, flowing and impactful meetings with their clients, both face-to-face and virtually. The benefit is in the delivery of an enhanced meeting experience, which will support both the client and the advisor in their goals.

Financial Advisors' Preferred Communication Method



Source: SmartAsset. 2021 survey



Succeeding in 2023

If you are a financial advisor looking to revamp your customer acquisition and retention strategy in 2023, we'd love to show you a demo of how **The Conversation Hub** can transform your virtual meeting experience.

[Contact us](#) to schedule
a demo today!

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