



How Financial Planners Actually Market Their Services

2024 Marketing Study

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Increasingly Challenging Landscape For Advisor Marketing

- Marketing has always been hard for financial advisors – but it is getting harder. Despite increasing their emphasis on marketing and business development, advisors are getting less back in growth results for their efforts. Even the fastest growing advisory practices, who are achieving greater relative growth, aren't positioned well to continue scaling growth in a sustainable way.
- Expenditures on marketing are up significantly since the last Kitces Research study on marketing was released 2 years ago, with total marketing costs up 56% from 2021 and now representing 11% of practice revenue. Often underestimated by advisors or overlooked altogether, soft dollars, contributed in the form of staff labor (from advisors especially), accounted for 71% of marketing expenditure.
- Client acquisition costs are rising even more rapidly due to a combination of rising marketing spend, slowing new client growth, and deteriorating marketing efficiency. The median acquisition cost per client was \$3,800 in 2023, a significant 75% jump since 2021. Over the same period, new client growth (excluding M&A) slowed from 10.6% to 8.6%.
- In light of an increasingly tough environment for winning new clients, the urgency for advisors to improve marketing capabilities is very real. Providing “comprehensive financial planning” is no longer the differentiator it once was. In addition, a shrinking market only serves to exacerbate advisors' marketing challenges. The 45- to 64-year-old age cohort, a traditional sweet spot for supporting an advisory practice (in particular, the traditional AUM firm), last peaked in 2017 at 26% of the population and is projected to decrease to 23% by 2030.
- As new client growth slowed and marketing costs rose, marketing efficiency fell by half. Efficiency for the typical practice, measured in terms of the ratio of new client revenue over marketing costs, fell to 0.6 in 2023. In other words, \$0.60 in new revenue was generated from each \$1 of marketing expense. Though notably, this means the typical advisory firm spent \$1 to “acquire” \$0.60 of organic growth, a 1.67X multiple that is still substantively better than M&A multiples that are as high as 2X–3X revenue for many advisory firms today!
- Notwithstanding these challenges, advisors who are able to differentiate in a crowded landscape still see superior growth metrics by their ability to stand out. For instance, even though nearly 1 in 3 advisors is a CFP professional today (up from 1 in 10 advisors who were CFP professionals 25 years ago), that still means 2/3 of financial advisors are *not* CFP professionals. Consequently, those who have CFP certification saw greater efficiency across any/all their marketing tactics than non-CFP advisors (with the effect especially strong for newer financial advisors, where the CFP marks may be one of their few credibility markers in the early years).

Trends In Tactics

- The greater marketing investment did help support an increase in the number of marketing tactics deployed. While the typical advisor used 4 tactics in 2022, the total rose to 5 in 2024. Greater use of in-person tactics was most notable, including networking, client appreciation events, and seminars, which all rebounded back closer to pre-Covid levels after falling out of favor during the pandemic years. The pandemic also brought about greater use of digital marketing tactics like webinars, search engine optimization, and drip marketing/newsletters, all of which rose during the pandemic and continued to increase in popularity through 2024 (rather than revert to pre-Covid levels).
- In recent years, though, the overwhelming popularity of referral generation tactics has remained constant, with 88% of advisors currently making use of client referrals and 62% marketing through centers of influence. Both tactics also rank among the top 3 in terms of advisor satisfaction, probability of success, and marketing efficiency.
- A heavy reliance on referrals doesn't correlate with sustained growth, however. Among tactical marketing groups, implementing referral generation tactics requires the greatest share of advisor time – time that gets more scarce and costly as a practice grows in size. It's no coincidence that high-growth practices generate more new client revenue from *non-referral* tactics, that are often more scalable. The inability to scale is especially true for client referrals, where in addition to limitations on advisor time, larger practices find increasingly diminishing returns in tapping the same clients for additional referrals year after year.
- Nearly half of all advisors make use of at least 1 event-related tactic. Whether it is a webinar, in-person seminar, or a gathering for appreciating existing clients, events are typically “high risk, high reward” in terms of often low success rates but frequently high revenue per new clients won. The success rate for client appreciation events in winning new clients, for example, ranks near the bottom of all tactics, but median revenue per new client won, at \$10,000, is top-ranking. Advisors that are successful in attracting new clients with events tend to hold more of them, and promote them more aggressively through multiple channels.
- Content generation tactics (e.g., blogs, videos, or podcasts) are generally more prevalent among high-growth practices. They tend to be above average in marketing efficiency and below average in costs, though, as many advisors struggle to gain traction with their content in a media-crowded content environment. More so than other tactical groups, content generation tactics benefit significantly when deployed in tandem with supporting tactics that facilitate the distribution and discovery of the advisor's content.
- Supporting tactics include search engine optimization (SEO), social media, and newsletters and are deemed “supporting” given that about 80% of advisors use them in support of other marketing tactics. While generally poor performers when used on a standalone basis, they can provide a significant boost to other tactics when applied in a supporting role. Most content generation tactics, for example, show a 40% or more greater chance of success when supported by distribution tactics. The typical boost provided by SEO is especially powerful for content creators.

- Using online directory listings (i.e., various “Find An Advisor” platforms), along with cold calling or door knocking, are likely the 2 most underappreciated marketing tactics. With a solid rate of success and minimal cost to list in an advisor directory, listings have the highest marketing efficiency of any tactic. Just 4% of advisors reported cold calling or door knocking, perhaps the oldest of ‘old school’ tactics, but cold calling or door knocking is second only to client referrals in terms of its ability to successfully land new clients (at least, for those who can persevere long enough!), though such tactics tend to generate less affluent new clients than most other marketing tactics.
- While advisory firms are experimenting with a growing number of marketing tactics, when viewed in the aggregate, almost 2/3 of clients ultimately found their way to an advisory firm via a referral – either from the advisor’s existing clients, or some third-party trusted source (e.g., the prospect’s attorney or accountant or a website they trusted as a credible source to “Find An Advisor”). Of the remaining clients, almost 2/3 of those met their advisor through some kind of educational or networking event (virtual or in-person) where they got to know their advisor more before working with them. And barely 10% of clients found their way to their advisor through all other marketing tactics, combined! Which suggests that in the aggregate, advisors experimenting with ‘new’ marketing tactics are still pursuing a remarkably small slice of consumers who (at least at this point) seek out and select an advisor by those channels in the first place.

Making Marketing More Effective

- Clearly, today’s financial advisors have a variety of tactical options to choose from. A new marketing approach, however, will be required to apply them most effectively in what promises to be an ever-more challenging environment for attracting clients.
- The first vital requirement of this new approach is a recognition, and acceptance, of the construct that marketing is not an optional activity for a practice interested in sustaining growth. A more robust and dedicated commitment to marketing is a hallmark of the fastest growing practices in our study.
- Marketing expenditures for the typical high-growth practice were 12.5% of revenue, notably higher than the 9.7% spent by peers. High-growth practices outspent their peers in terms of both soft and hard dollars, but soft dollars tended to make up a smaller share of their marketing costs. This occurred despite high-growth advisors committing 15% of each work week to marketing activities compared to just 10% for other advisors, which was made possible due to high-growth advisors typically taking lower compensation from their practices. The lesser compensation, in turn, enhances the ability of the practice to invest more hard dollars into marketing.
- While greater spending on marketing correlates with more growth, it does not guarantee it unless this spending is done efficiently. At every stage of development, high-growth practices are achieving a rate of marketing efficiency that is 2–3X greater than their peers. This outperformance is rooted in the combination of marketing tactics they deploy, as well as their willingness to adapt these tactics as their practices grow and evolve.

- When it comes to tactics, fastest growing practices have the courage to move beyond the “tried and true”. With a lesser reliance on referral generation, they are much likelier to deploy typically less traditional tactics, including seminars, videos, leveraging SEO to optimize the discovery of their created content, and building their firm’s brand through media appearances, as well as leveraging advertising that can get in front of their ideal clients who might not have otherwise been aware of the firm.
- Higher-growth practices also appear to place more of a focus on the overall return on investment (ROI) of their marketing efforts, with a willingness to engage in tactics that generate a high quantity of prospects they then have to wade through to find the qualified prospects (from using digital solicitors to engaging in high-volume seminars or even cold calling). By contrast, the typical advisor practice places a significantly greater weighting on the quality of leads... even to the point of pursuing marketing tactics that have lower overall marketing efficiency (as long as the quality of each lead remains high).
- A final critical component of the new marketing approach is a recognition that there is no “one size fits all, set it and forget it” solution for more effective marketing. The most effective advisor marketers will tailor a marketing strategy that recognizes the unique characteristics of their practice. A successful strategy will account for the growth ambitions of practice stakeholders and, most important, where the practice is in its development. The marketing process is dynamic and will need to adapt as the practice undergoes change.

Scaling Advisor Marketing

- The ability of marketing tactics to scale becomes increasingly important as a practice grows. Even high-growth practices are not immune to a fall-off in marketing efficiency as they increase in size. Beyond \$2 million in revenue, marketing efficiency for the typical high-practice falls to 0.5 – equivalent to paying a 2X acquisition cost, a level where M&A transactions begin to become a viable alternative to organic growth (and helps to explain the predominance of M&A amongst larger advisory firms seeking to grow!).
- With practice growth, the cost of advisor time rises, which can spin marketing costs up to unsustainable levels, and in turn require practices to place greater emphasis on hard dollar-based tactics in order to minimize declining marketing efficiency. Larger practices also tend to target larger (i.e., more affluent) clients, which require tactics more capable of generating high quality prospects as opposed to a high quantity of prospects.
- In conclusion, advisory practices are clearly entering into a more challenging environment for sustaining growth, where the importance of marketing for ensuring their success can no longer be overlooked. Ample opportunities for achieving growth, however, continue to exist for those advisors who possess the courage and ambition to rethink and reinvest in their marketing capabilities.

Introduction

The Case For More Effective Marketing Has Never Been More Clear

New Marketing Approaches Will Be Prerequisite

Research Objectives And Organization

Study Methodology

Key Study Terminology



The Case For More Effective Marketing Has Never Been More Clear

Kitces Research released its first advisor marketing study nearly 5 years ago in late 2019. The launch of the new study series was a direct response to the increasingly critical need for financial advisors to market their services in a more deliberate and proactive way. Today, the case for effective marketing to achieve and sustain the organic growth of an advisory practice has become clearer still.

A growing array of provider types is competing for a shrinking pool of prospective new clients. “Red zone” pre-retirees, those in the 45- to 64-year-old age cohort, have long been the backbone of a financial advisor’s client base. The number in this group peaked several years ago at 84.1 million in 2017, after cumulatively growing 36% since 2000. Relative to the 2017 peak, this red zone population is projected to decrease 2.7 million by 2030, as its share of total U.S population drops from 26%–23%.¹

Strong growth in the number of individuals who already have a financial advisor further handicaps an advisor’s chances at winning new business. According to Cerulli Associates, from 2009–2023 the “advised” segment grew from 35%–47% of U.S. investors. During this same timeframe, those investors who considered themselves “self-directed” fell from 41% to just 24%.² Simply put, amongst those consumers who might be interested in a financial advisor, there are fewer and fewer not already ‘attached’ to one.

In addition, just providing “comprehensive financial planning” is not the differentiator it once was, either. 25 years ago, there were only about 35,000 CFP professionals amongst almost 350,000 financial advisors, which meant barely 1 in 10 advisors were investing themselves into offering financial planning advice. Today, there are more than 100,000 CFP professionals amongst slightly less than 300,000 financial advisors, resulting in a 1-to-3 ratio. And the trend is only accelerating, with nearly 10,000 financial advisors sitting for the CFP exam in just the preceding 12 months alone (a new all-time record, despite the CFP marks having already been around so long they just celebrated their 50-year anniversary!).

Given these recent trends, it is no surprise that advisors are finding it more difficult to attract new clients when offering financial planning services. Despite clear evidence that advisors are putting more effort into marketing, growth rates are declining. Organic new client revenue growth (new client revenue as a share of all revenue generated the previous year) was 8.6% for the typical practice in 2023. While this growth rate is certainly respectable, it is off significantly from the 11.1% that advisors achieved 2 years prior based on our previous marketing study, occurring despite advisors investing more of their revenue towards organic growth than they did in the past.

¹ Kitces Research from OECD and US Census Bureau data.

² <https://www.cerulli.com/press-releases/investors-increasingly-choose-advice>

New Marketing Approaches Will Be Prerequisite

Undoubtedly, the market for attracting new clients is ever more competitive. Still, by far the most popular marketing tactic is client referrals, used by nearly 9 in 10 financial advisors. Is the popular reliance on client referrals really a best practice, though, or just the end result of advisors being reluctant to spend hard dollars on other, more potentially effective, and scalable, marketing tactics?

Historically, financial advisors primarily marketed with time-based strategies – including cold calling, cold knocking, and in-person networking, in addition to client referrals – but those strategies are fundamentally limited by the advisor's time, which creates challenges as firms grow and scale. The lack of scalability for these traditional time-based marketing tactics is helping to drive an explosion of inorganic growth in the form of mergers or acquisitions. Frequently as high as 2X–3X revenue, prices for deals are ever-rising. Yet the irony is that Kitces Research finds advisors, with the right marketing tactics, are perfectly capable of achieving organic growth at a cost of 1X revenue or less.

In sum, a better understanding of marketing creates the potential for 'less expensive' growth, which when built around less time-reliant tactics can also be more scalable. Furthermore, this approach creates new career tracks for financial advisors that aren't reliant on their own (time-based) capacity to generate new clients, and better equips the advisor to compete in an increasingly competitive marketplace more successfully.

Research Objectives And Organization

Given this context, the primary objective for this research is to provide advisors and their firms guidance for more effective marketing, with a particular focus on better understanding the actual return on marketing investment. This includes quantifying the true level of expenditure that is devoted to marketing, considering both hard as well as soft dollar (i.e., time) costs, and, based on these costs, calculating the efficiency of each of the various marketing tactics used to generate new client returns in terms of what is spent to acquire a client and what is spent to attract \$1 of new client revenue.

Our reporting also aims to offer a perspective for advisors in terms of norms or common practices related to popular marketing tactics, setting a baseline for how the typical advisor implements a tactic and the typical results achieved. Additionally, where applicable, insights are offered in terms of what are the most appropriate marketing tactics and approaches for different types of practices, and what typifies the approaches for those practices who are growing most rapidly. The research further strives to highlight when the most effective methods may vary according to the development stage or growth strategy of the practice. This may include considering factors such as scalability, probability of success, and trade-offs between a tactic's level of risk and its prospects for achieving high growth.

A final key goal for our study is to examine advisor marketing practices through the lens of trend changes over time. To do so, we revisit previous Kitces findings with regard to marketing tactics and confirm what remains the same and what has changed in terms of their associated usage, costs, and marketing efficiencies.

Study Methodology

Data collected online via the Kitces.com platform formed the foundation for achieving these research objectives. Participation in the Kitces Research survey was promoted through email, social media, and calls-to-action alongside Kitces.com’s educational content material. The survey fielded from February 23rd–March 22nd of 2024, and inquired about the advisor’s marketing and growth results for the preceding calendar year (2023).

Eligible respondents included individuals working in financial advisory practices who demonstrated a minimum 1-year business history of providing financial advice or implementing investment products in the U.S. for retail consumers. Respondents could be financial advisors or any other job role as long as they had a sound familiarity with the marketing characteristics of their practice.

Nearly 1,000 advisory practices responded at least in part to the 138-question survey, with over 400 completing the questionnaire in its entirety (though not all respondents were required to complete all questions). The resulting sample was sufficient in allowing Kitces Research to report most high-level results within a narrow $\pm 3\%$ margin of error.

Given that the survey drew from Kitces.com readers, it is important to recognize that this group is somewhat unique as a sample of the broader financial advisor community. The readership is generally more advice- and planning-centric relative to the broader industry

that still has more of a product-sales tilt. This matters because results by the very nature of those sampled may not be fully representative of all those who call themselves “financial advisors”. Conversely, the results should be especially meaningful to “financial advisers” – those who are in the business of delivering financial advice (not selling products) to clients and getting paid for financial (planning) advice itself.

While participants may have been limited to Kitces.com readers, they represented a wide range of professional organizations (Figure 1.1).

Figure 1.1. Respondent Membership By Organization

Organization	Share With Membership	Organization	Share With Membership
FPA	36%	AICPA	3%
NAPFA	31%	AGC	2%
XYPN	21%	NATP	2%
CFA	8%	Society of FSP	2%
EPC	7%	NAEPC	2%
IWI	5%	Garrett Planning Network	1%
FSI	4%	Other	7%
NAIFA	4%	None	26%
Kingdom Advisors	3%		

By design, respondents typically answered survey questions from the perspective of their practice (rather than just as an individual advisor). This focus is due to recognition that marketing is more of a practice-wide consideration than it is a function of unique decisions carried out by individual advisors within a practice. “Practice” is defined as any entity for which there is a common business vision, budget, client base, and service standard (see Appendix Glossary for a more detailed definition). While the focus of the survey was marketing spending and results during the 2023 calendar year, questions also covered general characteristics of the respondent’s advisory practice and advisor demographics.

Across respondents, the median age was 49, with 19 years of industry experience being the most typical. Represented practices most commonly were ‘pure’ RIAs (i.e., those with no other channel affiliations), though about 40% of the participants were affiliated with brokerage channels. The median age of all represented practices was 11, with years in business ranging from 1 to well over 20.

In terms of size, a practice typically consisted of 3 team members managing about \$85 million in investable assets and generating nearly \$500,000 in annual revenue. The majority of revenue was most often generated by AUM fees, with 88% as the typical share.

For nearly half of practices (48%), the typical client served was age 60 or older. Their client size was most often in the “mass affluent” segment (\$500,000–\$1 million in investable assets). Most practices (65%) did not have an established niche, and 58% had no routine marketing planning process. Over half of practices (58%) had a designated team member accountable for marketing. (See Figure 1.2 for further detail)

Figure 1.2. Summarizing Survey Respondents

Ranges represent 25th–75th percentiles unless noted otherwise.

Respondent Age	41–58 Years
Age of Respondent’s Practice	5–23 Years
Primary Industry Channel	71% Ind. RIAs
Service Team Size (including all advisors)	1–6 FTEs
Service Team Revenue	\$150,000–\$1.8M
Share of Revenue Dependent Upon AUM Fee	50%–98%
Clients Served by Team	37–300
Typical Investable Assets Per Client	\$500,000–\$1.5M
Share of Clients 60 Years or Older	30%–62%

Key Study Terminology

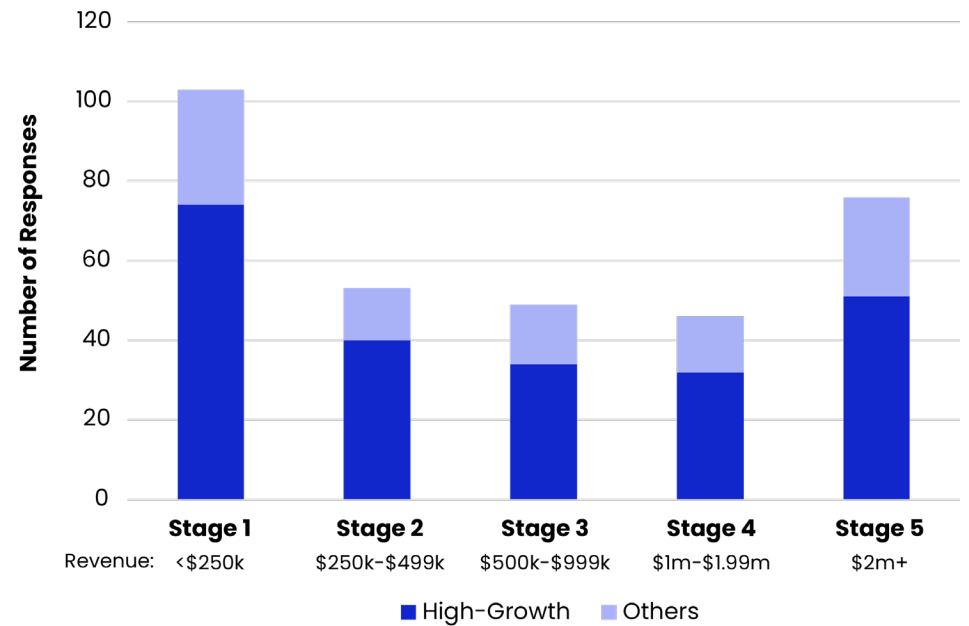
This report frequently relies on several terms and metrics that help highlight insights that are most important for understanding financial advisory marketing. A complete listing defining these key terms may be found in the glossary at the back of this report.

In addition to “practice”, included among them are references to various development stages, and the “high-growth” practices within them. So that we could better understand and illustrate how marketing evolves as a practice grows, our report frequently looks at survey respondents according to their revenue range or development stage, with Stage 1 being the smallest practices in terms of annual revenue and Stage 6 being the largest.

The stages are further distinguished based on annual organic new client revenue growth, with high-growth practices ranking among the top 3rd in each stage, exclusive of any self-described “mature” practices that are not actively seeking growth. In other words, high-growth practices are only compared to those other practices with genuine growth ambitions. High-growth practices are only compared to those other practices with genuine growth ambitions. High-growth are defined within each stage except for Stages 5 and 6, which were combined for the purposes of distinguishing a large-practice high growth segment with sufficient sample size.

Figure 1.3 illustrates these divisions, including the number of responses in each stage, and the allocation of high-growth practices within each stage. Parsing the data in this way reveals another layer of insight in terms of what marketing approaches are most relevant at each development stage for the practice that is eager to grow.

Figure 1.3. Distribution Of Responses By 2023 Revenue And Revenue Growth



Note: The graphic excludes 107 responding practices who either reported as “mature” or did not disclose 2022 revenue or 2023 new client organic revenue.

Overview Of Advisor Marketing Effectiveness

Defining Marketing Effort

Typical Expenditures

Soft Dollars Dominate Marketing Spend

The Impact Of Dedicated Marketing Staff

Marketing Spend Evolves With Practice Growth

The Cost Of Acquiring A New Client

Generating New Client Revenue From Marketing Expenditures

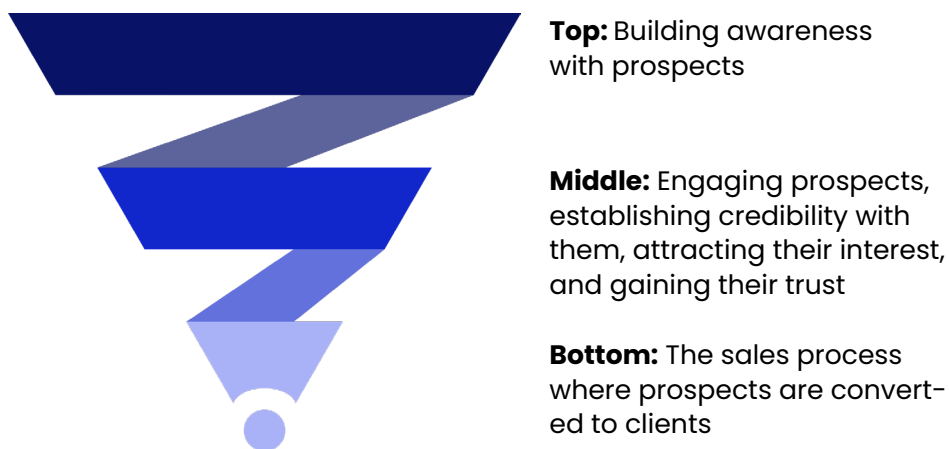
2

Gauging and understanding the marketing effectiveness of a specific practice requires context – context in terms of how the practice is progressing its marketing over time and, perhaps most importantly, context for how the practice compares to peers at similar points in time. This study focuses on the latter, including a deep examination of typical investments that firms make in various marketing tactics and the corresponding typical returns on these investments.

Defining Marketing Effort

But first, what exactly do we mean by “marketing”? In the most narrow and traditional sense, marketing relates to building a brand around your practice and raising awareness of this brand with potential clients. A broader definition will often extend to include activities with direct ties to sales. This would include generating leads and converting prospects to clients.

Thinking of this broader marketing definition in terms of a 3-tiered funnel is a helpful analogy. From top to bottom the tiers are as follows:

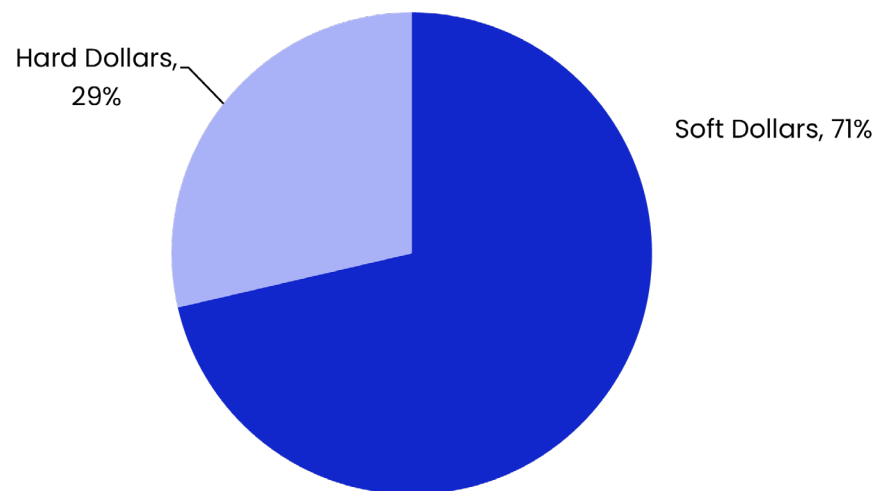


The domain of this study largely encompasses tactics influencing the top and middle tiers of this marketing funnel, including building awareness, generating interest, and establishing credibility. The bottom of the funnel (the advisor’s sales process itself once a prospect is ready to meet) is not a primary focus.

Typical Expenditures

While it’s certainly not the only potential influence driving growth, more marketing spending correlates with a more rapidly growing practice. In 2023, the typical practice spent \$41,429 on marketing, representing 11% of revenue. At every development stage, high-growth practices outspent their peers. Expenditures include both hard dollars spent on marketing goods and services, as well as the value of advisor and staff time devoted to marketing (i.e., soft dollars). Often underestimated or overlooked altogether, the reality is that soft dollar costs dominate, accounting for 71% of marketing expenditure (Figure 2.1).

Figure 2.1. Marketing Costs, Hard Vs Soft Dollars



\$41,129, Equating to 11% of Revenue

Increasing in absolute terms by 56%, spending is up considerably relative to the last Kitces Research marketing study. In 2021, marketing costs were just 7.1% of practice revenue in 2021. Differences in the makeup of our survey respondents might partially explain this 2-year increase. The 8% share of “mature” practices that participated in our current study was notably smaller than the 12% reporting in our previous study. By definition, these practices are not actively growing and consequently are investing less in marketing than other practices – The 2% of revenue mature practices spent on marketing in 2023 compares to 11% for others. As a result, aggregate spending is boosted with fewer of these low-spending practices in the current survey population. Nevertheless, this year’s advisors are clearly marketing more and doing it in more costly (i.e., more expensive or more time-consuming) ways.

From a median of 4 in 2022 up to 5 in 2024, advisors are deploying more marketing tactics, as well as transitioning toward more expensive tactics. Discussed in greater detail ahead, relative to 2022 many more advisors are now emphasizing client appreciation events, seminars and, to a lesser extent, webinars – all relatively expensive tactics to maintain. Concurrently, usage has dropped notably for online advisor listings, one of the least expensive (and ironically, more effective, albeit not more scalable) tactics.

Soft Dollars Dominate Marketing Spend

While both hard- and soft-dollar spending are trending up, the soft-dollar increase is most pronounced. For the typical practice, soft-dollar marketing costs were 31% over 2021, with soft costs as a share of revenue up from 4.2% to 6.2% in 2023. The increase in soft dollars is at least partially driven by an uptick in the use of dedicated marketing staff. In 2022, 17.6% of practices had 1 or more individuals spending half or more of their time on marketing, compared to 21.2% in 2024.

In spite of soft dollars including the time of dedicated marketers working within the practice, however, the majority of the soft spend across the industry is accounted for by advisors. Not only are there far more advisors than marketing staff who are involved in marketing, but the cost of advisor time is higher as well. Median compensation for lead advisors in our survey was \$190,000 compared to about \$85,000 for those dedicated staff members who are only doing marketing support. As a result, even for practices with dedicated marketers, the higher cost time of advisors represents a majority share (54%) of total soft-dollar marketing costs.

The Impact Of Dedicated Marketing Staff

Of those practices with marketing specialists, 57% employ a marketing director, the most typical dedicated role. Marketing or sales associate and internal business development specialist roles, however, are nearly as common.

Not surprising, a practice with marketing staff tends to be larger and more established. As a result, most differences between those practices with and without marketing staff are generally similar to the distinctions between small and large practices. This includes clients that are likely older and more affluent, as well as advisors serving more clients on a per advisor basis, characteristics of large practices in general.

Restricting the comparison to just the largest practices (\$2 million or more in revenue), more meaningful distinctions emerge between those with and without dedicated marketers (Figure 2.2). Those with are making a greater investment in marketing overall, spending more and deploying more marketing tactics. Furthermore, the advisors at these larger practices with marketing staff are surprisingly dedicating more time per week on marketing themselves –double the share for

the advisors at larger practices without dedicated staff. In other words, growth-oriented advisors invest more of themselves into marketing *and* more into staff and hard-dollar resources to support their marketing efforts.

Figure 2.2. Marketing Characteristics Of \$2M+ Practices, With And Without Marketing Staff

Figures are medians.

	With Dedicated Staff	No Dedicated Staff
Total Marketing Tactic Used	8	5
Marketing Spend as a % of Revenue	13%	8%
Share of Time Advisors Spend Marketing	20%	10%
Client Acquisition Cost	\$12,501	\$6,361
Marketing Efficiency	0.5	0.3
Annual Growth in Organic New Client Revenue	6.2%	4.5%

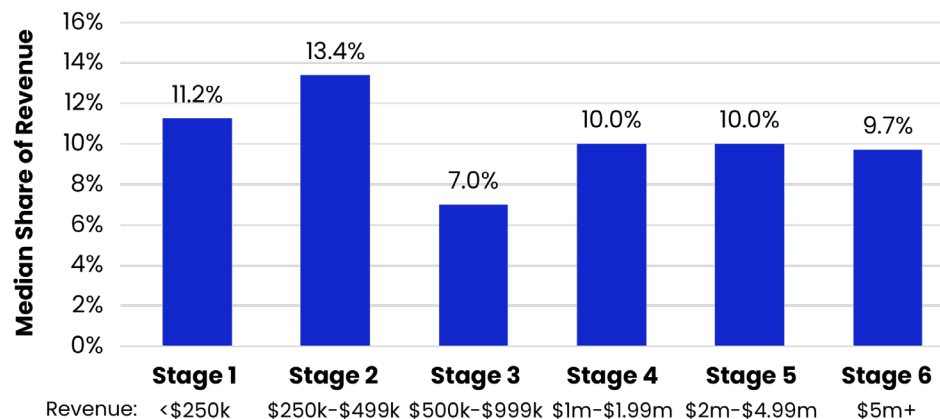
Consequently, the greater investment in marketing (including dedicated staff) by these larger practices results in a much higher acquisition cost per client, but also higher revenue clients, which actually leads to an improvement in marketing efficiency and, perhaps most importantly, a higher growth rate in terms of organic new client revenue.

Marketing Spend Evolves With Practice Growth

As a practice grows in terms of revenue, its level of marketing spend changes in distinct ways, but not in a linear fashion (Figure 2.3). Smaller practices, typically younger, tend to most emphasize marketing, with

spending as a share of revenue peaking at a median of 13.4% for Stage 2 practices (\$250,000–\$499,000 in revenue). For these less-established practices, new client growth, and thereby marketing, is a high priority as advisors are under capacity and covering just the fixed costs of doing business is a challenge. Thus, it's not surprising that the growth rates for these practices are also at peak.

Figure 2.3. Revenue Share Of Marketing Cost By Practice Size



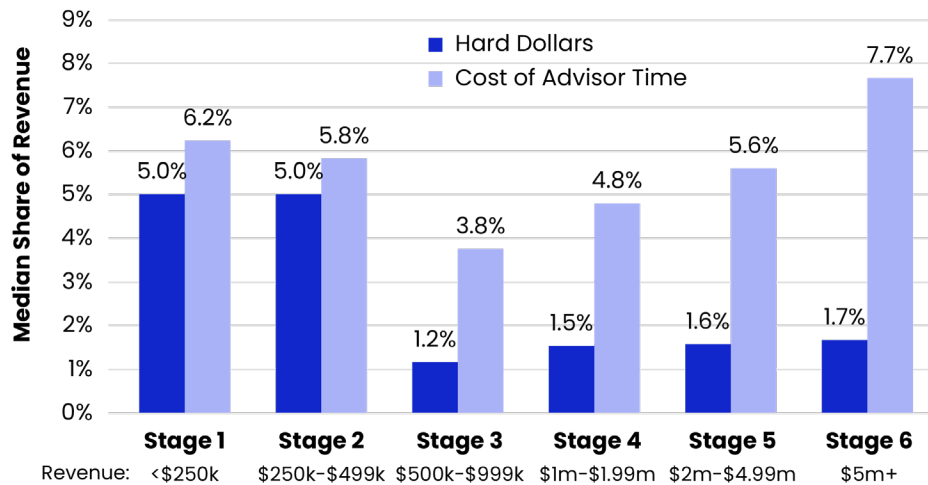
At Stage 3, a distinct shift occurs in marketing investment before increasing and then leveling off in the later practice stages. To some extent the same trends hold true in terms of growth rates achieved at these various stages. Marketing costs drop sharply to 7% of revenue at Stage 3 before increasing and leveling off at 10% for practices of \$1 million or more. A similar proportionate decline is evident in the rate of growth in new client revenue as well.

Shifts in both soft- and hard-dollar expenditures help to explain the change in marketing investment over time. As a share of revenue, the hard-dollar expenditures for early-stage practices are double that of larger practices, implying a need for upfront investments to generate awareness and establish a brand. Paying for online directory listings,

for example, is more prevalent among practices of less the \$500,000 in revenue, whereas larger practices are more reliant on established referral networks, either through their own clients or centers of influence.

Beyond \$500,000 in revenue at Stage 3, the practice is more established and more likely to be at capacity. Consequently, the drop in new client revenue growth is just as sharp as the decline in both hard-dollar and soft-dollar spending for marketing. For practices even larger with \$1 million or more in revenue, soft-dollar cost increases drive overall increases in marketing expenditure. This is largely a result of advisor time getting more expensive as a practice grows (Figure 2.4). Also playing a role, however, is a more significant presence of dedicated marketing staff – the share of practices with some type of marketing specialist jumps from 15% at Stage 3 to 29% at Stage 4.

Figure 2.4. Hard Dollars And Advisor Time Costs As A Share Of Revenue By Practice Size

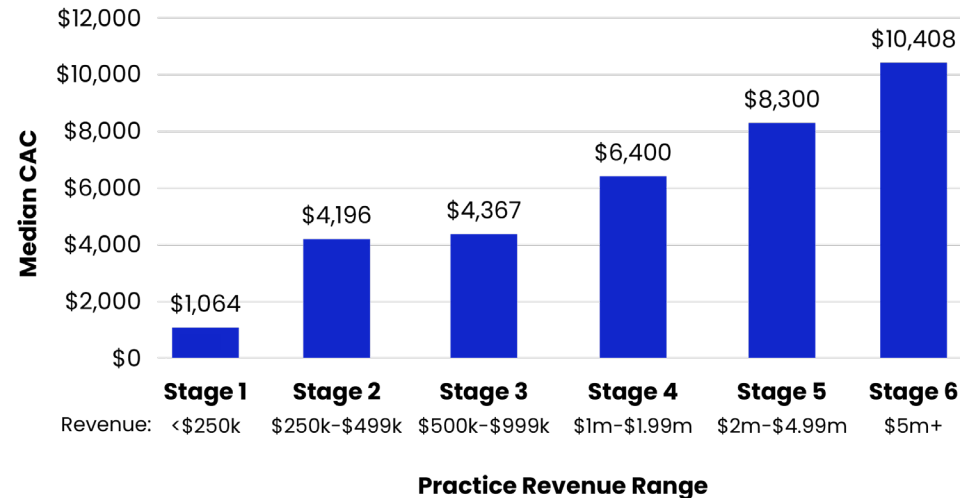


The Cost Of Acquiring A New Client

Given the significant investment that virtually all advisors devote toward marketing, how reasonable is the resulting rate of return? One simple, yet key, measure is client acquisition cost (CAC). On a practice level, CAC is the sum of all marketing expenditures in a given year, divided by new clients attracted to the practice in the same year.

In 2023, the median acquisition cost per client was \$3,800, a significant 75% increase since 2021. The CAC jump is a direct result of the combination of rising marketing costs, as previously noted, and growth in clients failing to keep pace. Suggesting an increasingly competitive environment for attracting new clients, organic new client growth for the typical practice slowed from 10.6% in 2021 to 8.6% in 2023 (coincidentally the same rate as 2023 growth in new client revenue).

Figure 2.5. Client Acquisition Cost By Practice Size



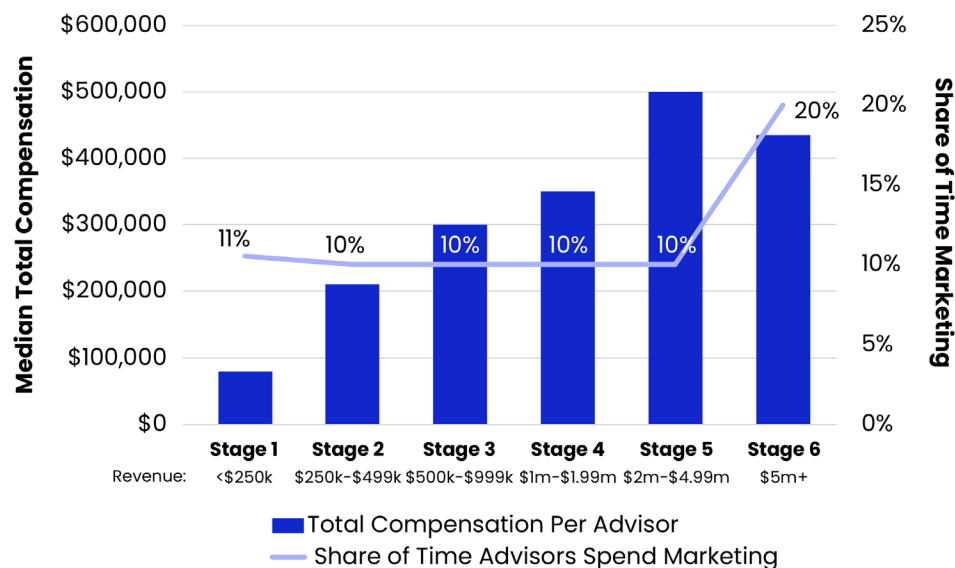
Note: Stage 6 represents a sample of just 8 practices reporting CAC data.

By practice stage, acquisition costs are especially high for larger practices, yet notably low for the industry’s smallest (Figure 2.5). The low CAC for the typical Stage 1 practice is especially extreme, at \$1,064, where acquisition costs are about 1/6 median CAC of \$6,309 for practices of \$250,000 or more in revenue. This generally aligns with the shift in opportunity cost of the advisor’s own time (extremely low for startup practices with limited revenue, then rising dramatically with increases in practice revenue). Consistent with their overall greater spending on marketing, high-growth practices show higher acquisitions costs at every stage except for Stage 1.

Acquisition costs show a similar positive correlation with the size of clients a practice serves. Median CAC is \$6,263 for those practices targeting clients with investable assets of \$1 million or more, more than double the typical cost of \$2,833 for acquiring clients under \$1 million. This is primarily due to 2 related factors. First, there is more competition for large clients, which requires a greater marketing effort to attract them. Additionally, however, larger practices tend to serve larger clients, and as noted, larger practices with higher revenue and greater cost of advisor time correlate with higher acquisitions costs in general.

Overall, though, the most significant cost driver as a practice grows are rising soft-dollar costs, and more specifically, advisor compensation. As highlighted in Figure 2.6, while the time that advisors devote to marketing largely remains constant with practice growth, the compensation for the time advisors spend escalates rapidly (Stage 6 being the exception). Compensation peaks at Stage 5 where the typical advisor is earning 5X Stage 1 advisors and more than double those at Stage 2.

Figure 2.6. Advisor Pay And Time Spent Marketing By Practice Size



Note at Stage 6, with \$5 million or more in revenue, practices frequently have added employee-advisors, whose limited ability to draw profits from the advisory business tends to reduce overall compensation per advisor. Due to their doubling of time spent on marketing, however, likely due to the greater commitment needed to compete for more affluent clients, total soft-dollar costs continue to rise for these Stage 6 practices.

Generating New Client Revenue From Marketing Expenditures

Gauging marketing return in terms of ‘warm bodies’ is telling, but even more revealing is the revenue that these new clients bring to the firm. “Marketing efficiency” is the key measure capturing this perspective, defined by Kitces Research in terms of 1st-year new client revenue per dollar spent on marketing during the course of that same year.

In 2023, based on a typical practice-wide revenue per new client of \$3,333, median marketing efficiency across all practices was 0.6, meaning that a \$1 marketing investment brought \$0.60 to the practice in the form of 1st-year new client revenue. (Note that this also implies that when marketing efficiency falls below one, it doesn't mean that the practice loses money on the client – only that the practice does not recoup its marketing costs in the 1st year of the client relationship.)

Like the sharp increase in CAC, marketing efficiency took a dramatic shift as well, dropping by half relative to 2024, when typical practice-wide efficiency was 1.2. Again, rising costs, in tandem with growing challenges on attracting new clients played a prominent role, contributing toward weaker practice marketing efficiency.

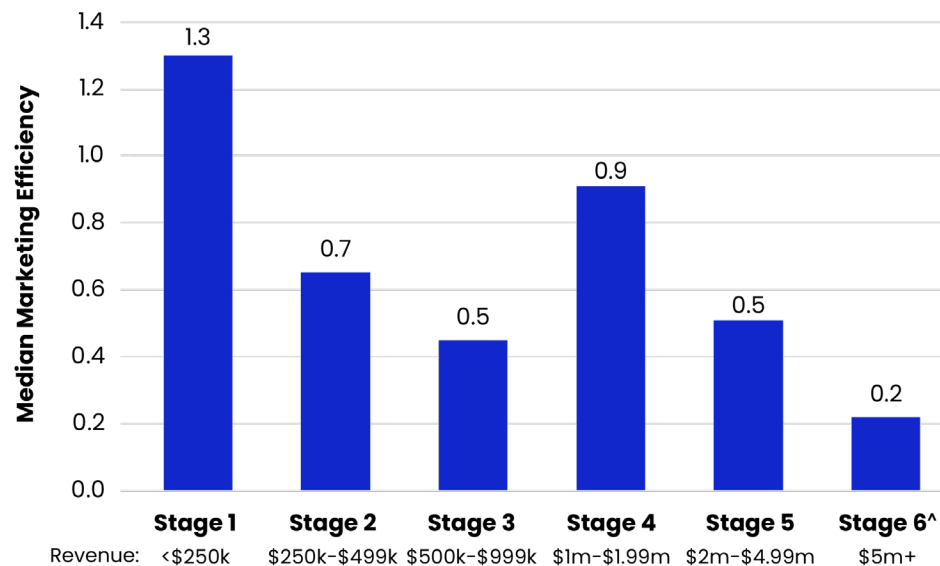
While CAC tends to progressively rise as a practice grows, marketing efficiency does not follow as clear of a linear relationship but does tend to roughly decline as the size of a practice increases. Given their low marketing costs (in particular, the low cost of advisor time) and high rates of growth, practices are the most efficient at Stage 1. Their median efficiency, at 1.3, is more than 2X that of Stage 3 practices and 6X what the typical Stage 6 practice achieves (Figure 2.7). In general, slower growth dampens efficiency for these larger practices.

Marketing efficiency actually increases significantly at Stage 4, however, before resuming its decline. The big jump is solely due to Stage 4 practices shifting their focus toward bigger clients. While marketing spend as a share of revenue at Stage 4 actually increases and there is no material change in client growth, typical client size served jumps to \$1 million in investable assets compared to \$750,000 at Stage 3. As a result, new client revenue outpaces Stage 4 marketing spend, driving efficiency up from 0.5 at Stage 3 to 0.9 at Stage 4.

Marketing efficiency resumes its decline beyond Stage 4 as the cost of advisor time rises and practices enter an ever-more competitive environment for higher net worth clients.

Beyond their ability to grow more rapidly, high-growth practices also stand out in terms of their levels of marketing efficiency. At every development stage, the marketing efficiency of high-growth practices is 2–3X greater than other practices. Only beyond Stage 4 does high-growth efficiency even dip below 1.0. And even then, typical marketing efficiency for these larger practices, at \$0.50 of new revenue for every \$1 spent, equates to acquiring revenue at a cost of 2X revenue, a multiple lower than the typical paid for acquisitions today. Which means that while high-growth practices may spend more to market to and bring on clients, there is clearly still a greater payoff as a result.

Figure 2.7. Marketing Efficiency By Practice Size



Note: Stage 6 represents a sample of just 8 practices reporting marketing efficiency data.

Marketing Tactics – A Summary

Tactic Usage And Revenue Generated

Trends In Usage

Can't Get No Satisfaction

Special Discussion – Impact Of SEC Marketing Rule

Probabilities Of Success

Revenue Per Client

Acquisition Costs

Marketing Efficiency

Supporting Tactics



3

Figure 3.1. Marketing Metrics By Specific Tactic

Tactic	Usage	Average Satisfaction	Success Rate	Revenue Per New Client	Aggregate Average CAC	Aggregate Average Efficiency
Referral Generation						
Client Referrals	88%	7.3	95%	5,000	4,272	1.6
Centers of Influence	62%	5.9	85%	5,000	4,198	1.6
Paid Solicitors						
Custodial Referrals [^]	1%	5.8	*	*	*	*
Digital Solicitors	5%	3.9	64%	4,000	*	*
Traditional Solicitors	6%	5.8	75%	6,600	*	*
Lead Generation Platforms						
Online Advisor Listings [^]	18%	5.3	73%	4,000	634	3.4
Third-Party Review Sites	8%	4.3	50%	*	*	*
Cold Prospecting						
Cold-Calling or Door-Knocking	4%	4.1	89%	3,750	*	*
Direct Postal Mail	3%	3.0	67%	7,000	*	*
Events						
Webinars	25%	3.8	49%	4,200	32,539	0.2
Seminars	25%	5.0	55%	7,679	19,097	0.5
Client Appreciation Events [^]	28%	4.7	44%	10,000	59,929	0.1
Networking						
In-Person Networking	47%	4.8	64%	5,000	8,902	0.9
Social Media [^]	40%	3.5	45%	5,000	16,739	0.2
Content Creation						
Writing a Book [^]	8%	3.9	47%	*	*	*
Writing for Third-Party Platforms [^]	17%	3.9	62%	6,500	7,309	0.6
Blogging	32%	3.8	46%	6,500	12,378	0.5
Newsletter	37%	4.0	11%	*	*	*
Hosted Radio Show [^]	2%	6.2	*	*	*	*
Podcasts [^]	11%	4.4	48%	5,000	8,112	0.9
Videos [^]	14%	4.3	62%	6,523	16,526	0.5
Media Appearances	8%	4.7	71%	5,295	*	*
Sponsorships/Paid Advertising [^]	13%	3.3	50%	7,000	11,932	0.4
Search Engine Optimization [^]	30%	5.0	47%	6,667	23,688	0.5
All Tactics Average	-	4.6	59%	5,827	16,161	0.9

[^]Less than 5 responses

[^]5-9 responses for 1 or more of the displayed metrics

Whether it is measured by CAC, efficiency, or some other metric, marketing effectiveness is heavily influenced by the specific tactics an advisor chooses to deploy. Success is further predicated on the number of tactics used, how they are used in combination with one another, how they are implemented, and how they evolve with the business over time.

Figure 3.1 (left) lists the 24 marketing tactics covered in this year's study, organized into 9 different tactic groups. Figure 3.2 offers a similar version of the table highlighting the tactical groups only. (Note: Search engine optimization is a tactic that comprises its own group. Similarly, advertising and sponsorships is also its own group, though some level of detail is provided for the 9 different types of advertising or sponsorships an advisor may have used.)

Figure 3.2. Marketing Metrics By Tactical Group

Tactic	Average Satisfaction	Revenue Per New Client	Aggregate Average CAC	Aggregate Average Efficiency
Referral Generation	6.7	5,000	3,877	1.6
Paid Solicitors [^]	5.0	6,000	8,411	1.7
Lead Generation Platforms	5.0	4,000	2,289	0.7
Cold Prospecting [^]	3.6	5,320	18,069	0.6
Events	4.5	7,000	27,424	0.4
Networking	4.2	5,000	16,726	0.7
Content Creation	4.1	6,500	14,691	0.5
Sponsorships/Paid Advertising [^]	3.3	7,000	11,932	0.4
Search Engine Optimization	5.0	6,667	23,688	0.5
All Tactics Average	4.6	5,832	15,131	0.9

[^]Less than 5 responses

[^]5-9 responses for 1 or more of the displayed metrics

From the collected data, Kitces Research compiled a host of metrics on each surveyed tactic and selected metrics at the group level. In combination, these metrics form a rich resource for helping advisors evaluate which marketing tactics might be most appropriate for their practice to emphasize. These metrics, also noted in the appendix ahead, are explained in Figure 3.3.

Figure 3.3. Key Metrics For Evaluating Marketing Tactics

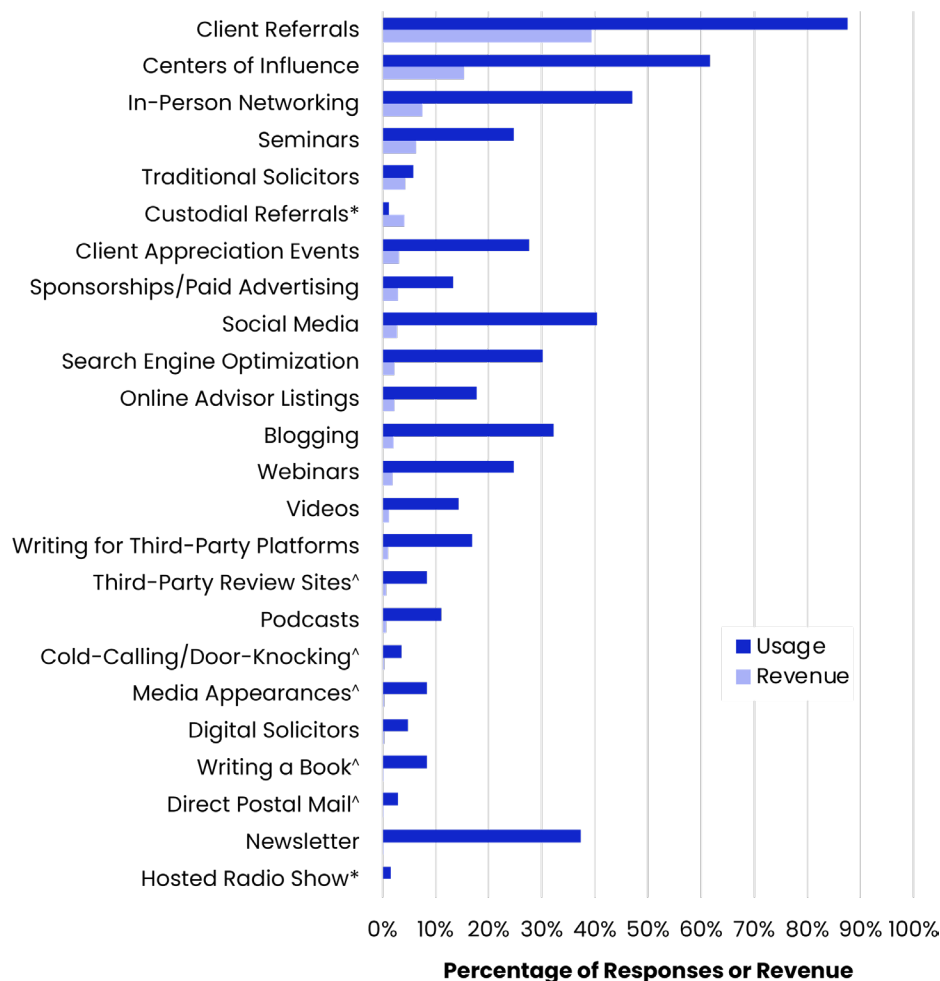
Metrics	Metrics
Usage Rate	Share of practices that make use of a particular tactic
Advisor Satisfaction	A 1–10 scale, with “10” representing highest satisfaction with a particular tactic
Success Rate	Share of practices using a tactic that landed at least 1 new client with the tactic
Revenue Per Client	New client revenue attributable to the tactic divided by the number of clients joining the practice as a result of the tactic
Client Acquisition Cost	Expenditures on the tactic divided by the number of clients joining the practice as a result of the tactic
Efficiency	New client revenue attributable to the tactic divided by expenditures on the tactic

Tactic Usage And Revenue Generated

In 2024 the typical advisory practice relied on 5 marketing tactics, up 1 from a median of 4 in 2022. The larger the practice, the more tactics that it tends to deploy, with a median of 4 for Stage 1 advisors increasing to 9 tactics for the typical Stage 6 practice with \$5 million or more in revenue. High-growth practices tend to deploy a slightly greater number of tactics, but the differences are not significant; high-growth practices tend to prevail by better executing on their tactics, not merely by engaging in more of them.

Among the 24 marketing tactics, 15 were used by 10% or more advisors (Figure 3.4). The most popular tactical group by a wide margin was “Referral Generation”, including referrals from clients and (unpaid) referrals through centers of influence. Most every advisor, 88%, relied on client referrals, 62% of advisors worked with centers of influence, and 60% of advisors used both tactics.

Figure 3.4. Tactics By Usage And Average Revenue Share



*Based on less than 5 responses reporting revenue

^Based on 5–9 responses reporting revenue

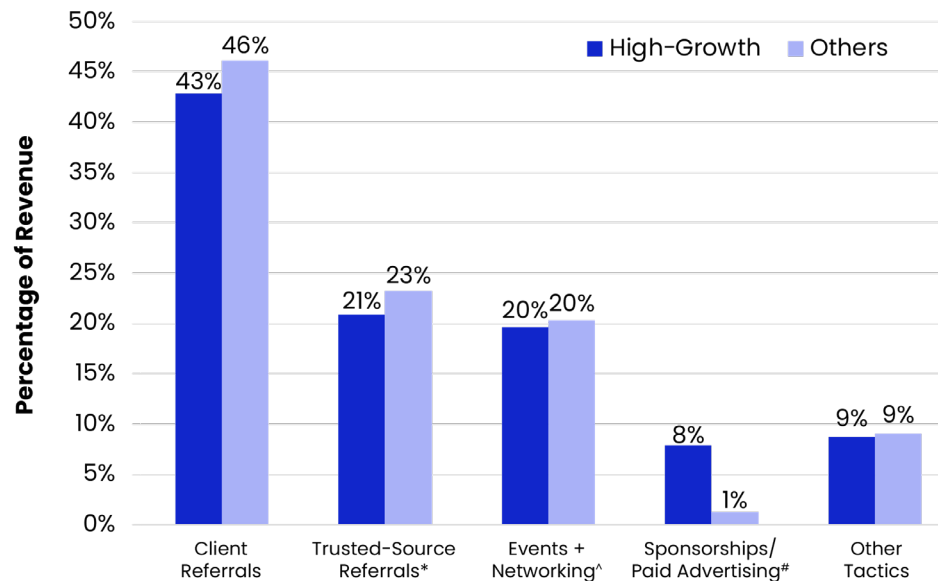
Networking followed in terms of popularity, with nearly half of advisors marketing through in-person networking, and 40% networking online via social media. With usage tending to range from 20–35%, the “Events” and “Content Creation” tactical groups made up a 3rd tier in terms of popularity, along with SEO at 30%. Usage within the remaining groups tended to range from 10–20%, with exceptions for “Paid Solicitors” and “Cold Prospecting”, where usage rates all fell below 10%.

While usage rates certainly indicate the relative popularity of marketing tactics among advisors, they don’t necessarily align with the extent to which certain tactics generate new revenue. Also highlighted in Figure 3.4 are each tactic’s share of revenue generated by all tactics in total. The revenue shares are estimates based on the average revenue a tactic generated for a practice in combination with the share of practices that used the tactic, effectively painting a picture of how all new clients (and their fee revenue) gained across all practices found their way to those practices. Or stated more simply, “tactic usage rates” represent what advisors are doing to find clients, and “revenue share” rates indicate what marketing tactics clients in the aggregate responded to when finding their advisors. (Important to note is that due to smaller sample sizes, these data have a much wider margin of error than tactic usage rates. Even as a rough picture, however, they provide a useful alternative perspective on the extent to which advisor’s rely on particular tactics.)

From the client’s perspective, then, we can group advisor marketing tactics by the different ways that clients might engage in their own “advisor search” efforts: client referrals (asking friends and colleagues who they use); seek out a “trusted source” beyond just consulting friends or colleagues (e.g., ask for a referral from an attorney/accountant or look up an advisor on a platform that recommends “good” advisors); meet the advisor via an educational or networking

event (virtually or in-person); become aware of the advisor through advertising; and other tactics (essentially “everything else”).

Figure 3.5. New Client Revenue By Client’s “Advisor Search” Approach, High Growth Vs Others



*Includes COI’s digital and traditional solicitors, online listings, and third-party review sites

^Includes webinars, seminars, client appreciation events, and in-person networking

#Based on a sample of 4 high-growth practices and 8 others

When viewed in this manner, a number of notable trends emerge, as highlighted in Figure 3.5. The first is an overall understanding of how consumers find advisors; almost 2/3 do so by seeking out a referral, either from a peer already using the advisor, or some other third-party source they believe they can trust. Of the remainder, almost 2/3 of those (about 20% of the total) was to meet and get to know the advisor first, through some kind of educational or networking event. And barely 10% of clients found their advisor through any/all other of the advisor’s marketing tactics, combined!

On the other hand, the results indicate (albeit from a relatively limited sample) that the one most notable thing that high-growth practices are doing differently is to generate more revenue through advertising and more effectively offer an additional means for clients to first “discover” the advisory firm outside of that prospective client’s existing network of people they might ask for a referral or events they might attend to meet an advisor. Or viewed in another manner, advertising tactics appear to be one way that high-growth practices are expanding their “network” of prospects to get in front of that actually changes the course of how that prospect may have otherwise found an advisor by their own means.

At the same time, the results also suggest that while advisory practices are engaging in an expanded number of marketing tactics – with high-growth practices in particular pursuing more

“new marketing” (e.g., digital and content marketing) tactics – and there may be a small number of individual practices winning with a niche in some of those tactics, that overall high-growth practices are not attracting a rising share of actual new revenue with their new marketing tactics!

Trends In Usage

As documented in Figure 3.6, the popularity of specific tactics has evolved some since the first Kitces Research study in 2019. The most significant changes relate to a tactical shift that more closely resembles pre-pandemic norms. Use of in-person tactics, including networking, client appreciation events, and seminars, all dropped significantly between 2019 and 2022 as a result of the pandemic, before usage rebounded in 2024.

Figure 3.6. Most Popular Tactics, 2019–2024

2019		2022		2024		Increasing Future Use	
Tactic	Usage Rate	Tactic	Usage Rate	Tactic	Usage Rate	Tactic	Share
Client Referrals	93%	Client Referrals	93%	Client Referrals	88%	Client Referrals	76%
Centers of Influence	60%	Center of Influence	60%	Centers of Influence	62%	Centers of Influence	56%
In-Person Networking	47%	Social Media	41%	In-Person Networking	47%	In-Person Networking	37%
Social Media	42%	In-Person Networking	36%	Social Media	40%	Seminars	34%
Client Appreciation Events	36%	SEO	29%	Newsletter	37%	SEO	33%
Blogging	30%	Blogging	28%	Blogging	32%	Social Media	31%
Seminars	26%	Online Advisor Listings	26%	SEO	30%	Webinars	31%
Drip Marketing*	24%	Webinars	22%	Client Appreciation Events	28%	Newsletter	30%
SEO	22%	Drip Marketing*	20%	Webinars	25%	Blogging	29%
Videos	12%	Videos	19%	Seminars	25%	Client Appreciation Events	29%

*Drip marketing redefined as newsletters in 2023 study.

The pandemic, by discouraging in-person contact, also helped spur more rapid adoption of digital marketing tactics. These included webinars, search engine optimization, and drip marketing/newsletters in particular, all of which have continued to increase in popularity through 2024.

Use of client referrals, typically the source of nearly half of an advisor's new clients, dropped from 93% of advisors in 2019 and 2022 to 88% in 2024. While this could be a sign that at least some practices are moving toward more proactive and scalable tactics, the one-time drop may also be just a result of differences in the 2024 survey population. Also noteworthy is that in looking out another 2 years, about 3/4 of advisors expect to place *greater* emphasis on client referrals.

Notable as well is what has *not* changed. In addition to seminar and in-person networking reverting back to levels approximating pre-pandemic norms, usage for social media, blogging and centers of influence has remained fairly stable.

For the most part, when looking to the future, advisors intend to put more emphasis on many of the tactics that are already widely used. In addition to client referrals, this includes centers of influence and in-person networking – though notably all are time-based tactics with little potential for leveraging or scaling an advisor's time. If advisors do end up embracing these tactics even more heavily than they are already, client acquisition costs are likely to continue their increase, with a concordant weakening in marketing efficiency.

A more encouraging trend is that 5 tactics, all more scalable independent of an advisor's time, show particular promise of greater future use. Podcasts, videos, SEO, book publishing, and seminars have

a much greater share of advisors (typically nearly double) expecting to place more emphasis on them in the future than the share that is currently using them now.

As a practice grows, advisors tend to embrace a greater number of tactics generally, but use of referral and events tactics grows at a particularly strong rate. In contrast, maintaining online advisor listings is virtually the only tactic where usage declines with growth.

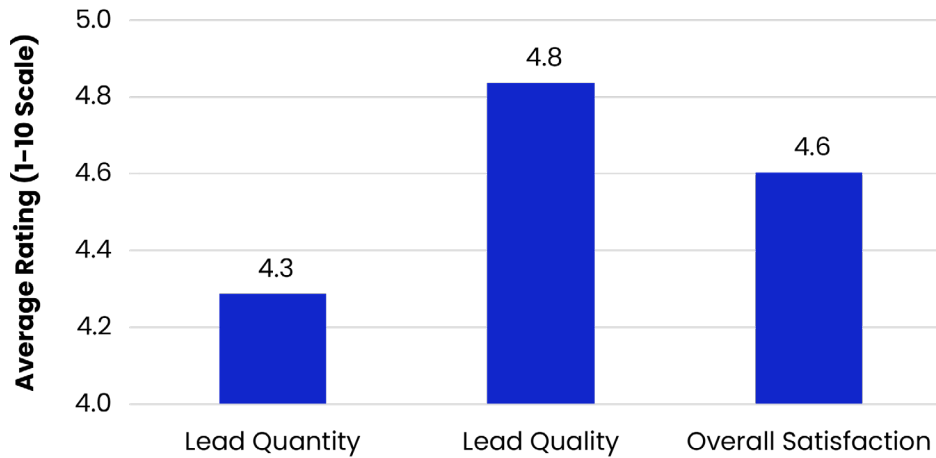
This typical evolution of the tactical mix is less than ideal in terms of controlling acquisition costs and maintaining efficiency. Referral tactics (largely time-based) become more costly for the biggest practices as advisor compensation rises, whereas the cost for online directory listings is largely hard dollars in a fixed amount (which means it would be a tactic that scales best for large practices).

Can't Get No Satisfaction

Across all tactics overall, satisfaction averaged 4.6 in our 2024 study, up slightly relative to the 4.4 average in 2022. Based on a 1–10 scale with "10" being most satisfied, both scores suggest that, at best, advisors are only moderately satisfied with the marketing tactics they deploy.

The lack of any notable falloff in satisfaction over the past 2 years seems counterintuitive in light of rising acquisition costs and lower efficiency during this same period – but it may just be that competition for new clients is growing more challenging as opposed to any falloff in the quality of tactics themselves. As Figure 3.7 highlights, advisors tend to be more satisfied with lead quality than quantity, with quality also tending to be a stronger driver of overall satisfaction than quantity.

Figure 3.7. Average Satisfaction Across All Tactics



Note: Average satisfaction based on 1-10 scale with "10" representing most satisfied.

The best and worst ranking tactics are noted in Figure 3.8. Consistent with the tactic's widespread use, client referrals rank highest in overall quality in addition to being top ranked in lead quantity and lead quality. Centers of influence, 2nd in usage, is also among the top 4 tactics in terms of overall satisfaction and lead quality.

Figure 3.8. Top And Bottom 4 Tactics, By Lead Quantity, Lead Quality, And Overall

	Lead Quantity	Lead Quality	Overall
	Tactic/Average Rating	Tactic/Average Rating	Tactic/Average Rating
Best	Client Referrals (6.2)	Client Referrals (7.5)	Client Referrals (7.3)
	Hosted Radio Show^ (6.0)	Traditional Solicitors (6.9)	Hosted Radio Show^ (6.2)
	Traditional Solicitors (5.7)	Centers of Influence (6.6)	Centers of Influence (5.9)
	Digital Solicitors (5.7)	Hosted Radio Show^ (6.2)	Traditional Solicitors (5.8)
Worst	Book Publishing (3.1)	Blogging (3.8)	Webinars (3.8)
	Videos (3.0)	Direct Postal Mail (3.6)	Social Media (3.5)
	Blogging (3.0)	Social Media (3.5)	Advertising (3.3)
	Direct Postal Mail (2.8)	Advertising (3.2)	Direct Postal Mail (3.0)

^Hosted radio show ratings based on just 6 responses

Special Discussion – Impact Of SEC Marketing Rule

In December of 2020 the Securities and Exchange Commission (SEC) finalized amendments to the Investment Advisers Act of 1940, creating a new Investment Advisers Marketing Rule which went into effect in November of 2022. In the words of the SEC:

“The technology used for communications has advanced, the expectations of investors seeking advisory services have changed, and the profiles of the investment advisory industry have diversified. The new marketing rule recognizes these changes and the Commission’s experience administering the current rules.”³

Among the specifics, the Marketing Rule revised restrictions around communicating investment performance, using client testimonials, and engaging with third-party review platforms. Loosening restrictions related to testimonials was likely the SEC’s most consequential change under the new rule as it pertains to advisors offering financial planning services. Just 7% of Kitces study respondents reported currently featuring client testimonials in their marketing collateral, but 35%, or 5X this share, plan to be doing so within the next 2 years.

Engagement with third-party review platforms (detailed elsewhere in this report) is also expected to be a more common activity, with just 7% of advisors doing it now, but 17% expected to engage with the sites in the future.

The new Marketing Rule does not look to be encouraging greater emphasis on investment performance, however. Just 7.2% of advisors plan to do this in their marketing communication within the next 2 years, a share not materially different from the 6.5% of advisors who are doing this currently.

³ <https://www.sec.gov/news/press-release/2020-334>

While only a small number of advisors reported hosting their own radio show, ratings were high across all aspects of satisfaction. Digital and traditional solicitors also were not typically deployed by advisors but both tactics received high ratings from those who did. Digital solicitors, however, while highly ranked in terms of lead quantity, ranked poorly in terms of lead quality and, as a result, its overall ranking was weak as well.

Additional digital tactics were among the lowest-ranking tactics in terms of satisfaction ratings, including social media, blogging, and webinars. All 3 were among the more widely deployed tactics, used by more than 1/4 of advisors, but their overall ratings suffered due to low scores in terms of their ability to generate a sufficient quantity of leads. This suggests that while there is no lack for trying when it comes to digital tactics, advisors continue struggling to apply them in ways that can differentiate within the hyper-crowded online environment. Rating lowest in lead quantity, overall satisfaction for direct mail is also lowest of any tactic. While publishing a book ranked near-bottom in terms of generating a quantity of leads, its ratings for lead quality were well above average (as while not many consumers will reach out to a financial advisor after reading their book, those who do tend to be *very* interested in the advisor’s services!).

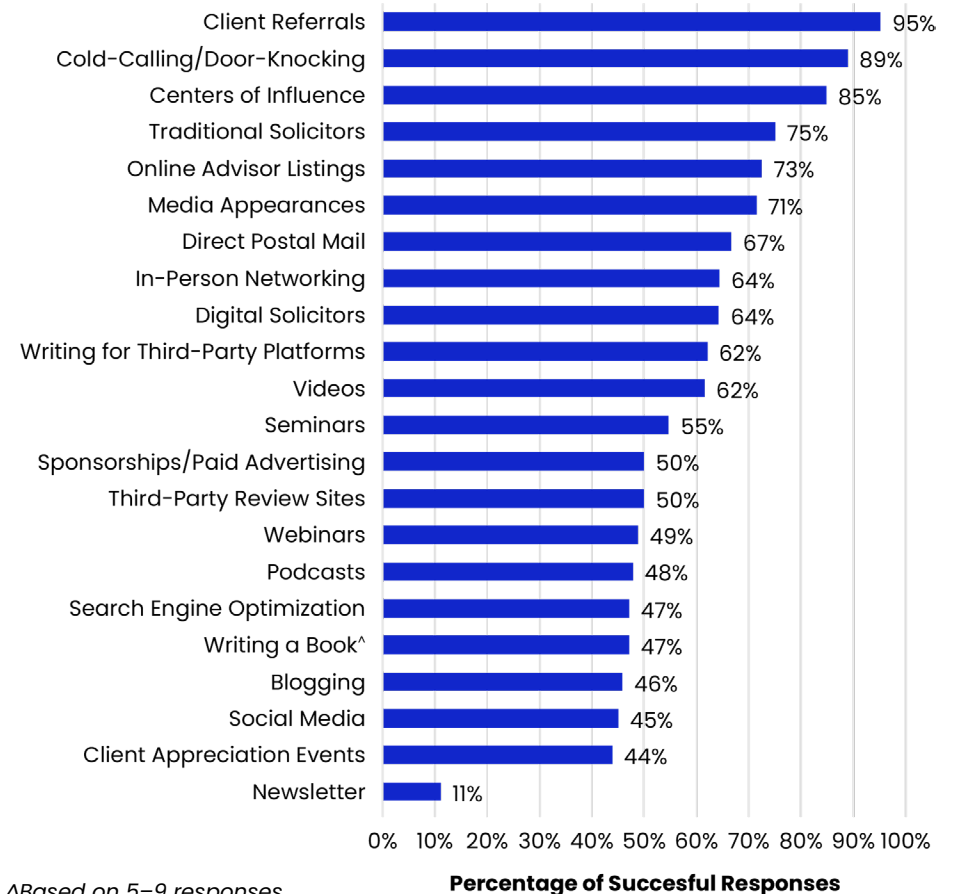
Probabilities Of Success

The “success rate” of a tactic is simply the share of advisors using the tactic that gained at least 1 new client over the past year as a result of the tactic. An average of 58% of advisors found success across all the tactics surveyed. Like satisfaction, a tactic’s chances for winning new business doesn’t always correlate with usage either.

Referral tactics, however, in addition to having highest usage and top satisfaction ratings, also have the best chances of success given their

ability to generate high quality leads. Success rates for client referrals and centers of influence are 95% and 85% respectively, and success with traditional solicitors is also high. (Figure 3.9). Notably, cold calling or door-knocking is also among the top 4 tactics in terms of probability of success. While usage for the latter tactics is quite low, at less than 10%, they share a common thread with referrals – all rely on 1-1 personal interaction, reinforcing the importance of face to face or other direct forms of communication for establishing trust and winning new business. This is true even if they require a significant grind of activity in order to do so (in the case of cold prospecting).

Figure 3.9. Success Rates By Tactic



^Based on 5-9 responses

Revenue Per Client

Tracking the ability to win new clients is just a first step in gauging tactical success. More revealing is whether the clients attracted are paying off for the practice in a cost-effective and sustainable way. To learn more, the next step is to track revenue per new client which, in combination with acquisition cost, yields a measure of marketing efficiency.

Figure 3.10. Revenue Per Client By Tactic



[^]Based on 5-9 responses

Across all tactics, new revenue per client averaged \$5,827. While their success rates were relatively low, in-person events generated the highest revenue per client (Figure 3.10). Client appreciation events and seminars respectively attracted \$10,000 and \$7,679 per new client. Likely benefiting from an ability to target prospects more finely, sponsorships and advertising, along with direct mail followed, with both tactics attracting a median of \$7,000 per client.

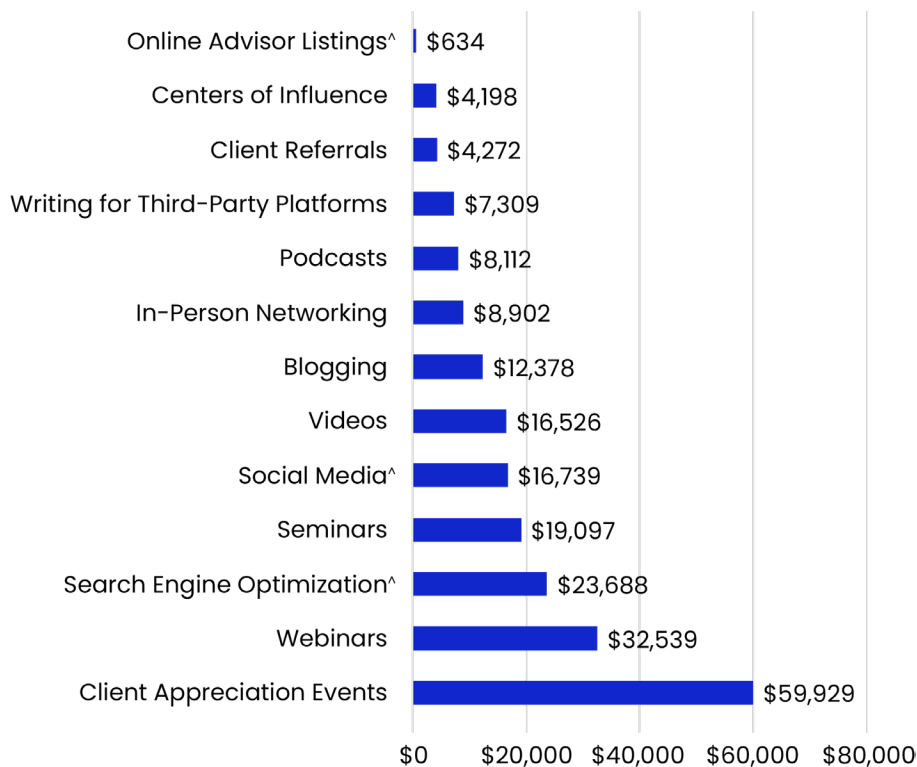
While cold calling and door-knocking is 2nd only to client referrals in success, the tactic ranks last in terms of revenue per client.

Acquisition Costs

Tactic level acquisition cost per client, or CAC, is calculated using data from advisors reporting cost of the tactic and the number of clients attracted to the practice as a result of the tactic. Included are responses where an investment may have been made in the tactic, but it failed to attract any clients. Costs are then summed across these complete responses and divided by the sum of resulting new clients across all responses. Consequently, this “aggregate average” CAC measure can range widely across tactics. This is not only a result of actual differences in the effectiveness of different tactics, but also due to occurrences of one or more outlying responses where spending is significant but success is low and vice versa.

Indeed, there is a wide range for the 14 tactics with sufficient data to estimate CAC (Figure 3.11). At \$634, client acquisition for online directory listings is the lowest of any tactic by a large margin. Costs tend to be low for listing services and the rate of success is high, typically resulting in a couple of new clients per year for advisors with a listing.

Figure 3.11. Aggregate Average CAC By Tactic



[^]Based on 5-9 responses

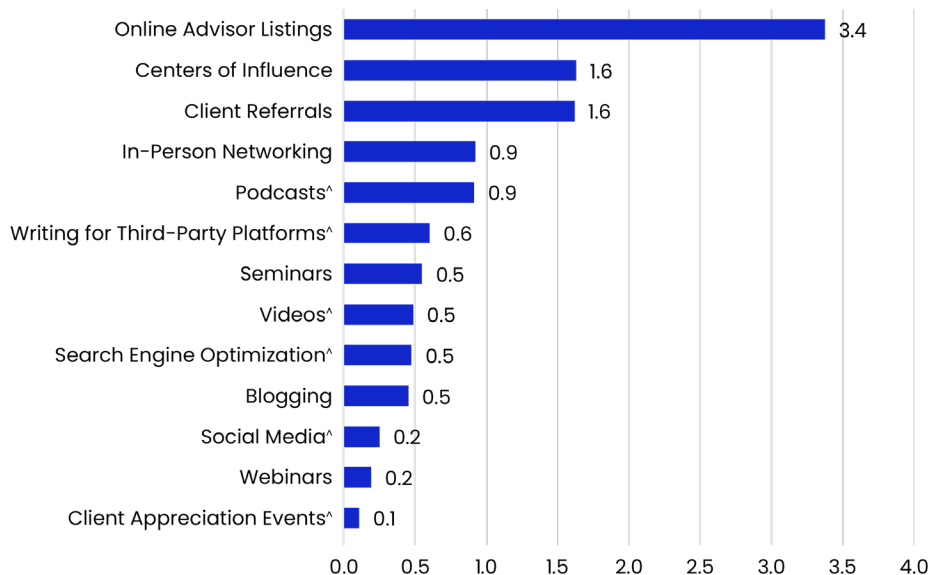
In contrast, client appreciation events are by far highest in terms of CAC at nearly \$60,000 (although our estimate here is derived from just 5 responses). While tending to generate high revenue per clients, events in general are costly to produce, and success rates are below average relative to other tactics. As a result, all 3 events-based tactics are among the top 4 tactics in terms of acquisition cost per client.

Marketing Efficiency

Marketing efficiency by tactic is calculated similarly to tactic-level CAC, with costs summed across any advisor deploying the tactic divided by the sum of revenue generated, including those advisors who incurred costs but were unable to generate any new revenue. Hence efficiency estimates by tactic are also subject to a similar level of variability.

Additionally, tactic efficiency tends to track inversely with CAC, with a higher CAC for a tactic correlated with a lower level of efficiency (as mathematically, the tactic would have to generate disproportionately larger average client revenue just for efficiency to keep pace at a higher CAC per client). Client appreciation events, for example, rank lowest in efficiency largely due to their extremely high acquisition costs. At 0.1, just \$0.10 of 1st-year new client revenue is generated from spending \$1 on hosting client appreciation events (Figure 3.12).

Figure 3.12. Aggregate Average Marketing Efficiency By Tactic



[^]Based on 5-9 responses

In contrast, by a wide margin online listings achieved highest efficiency at 3.4. Client referrals and COIs were the only other tactics where 1st-year new client revenue outweighed costs (i.e., efficiency was greater than 1.0). Just missing the breakeven mark were in-person networking and podcasts, both achieving an efficiency score of 0.9.

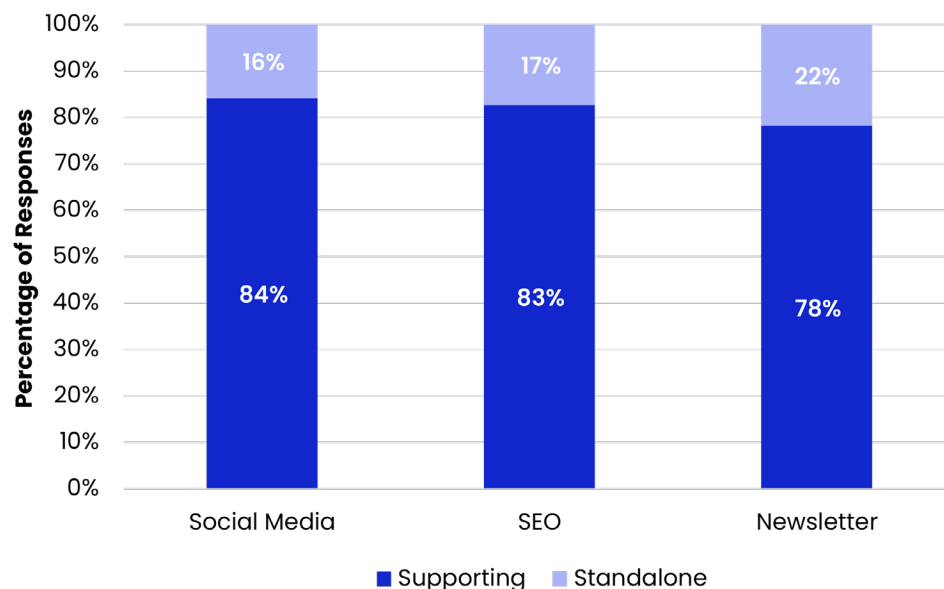
Relative to our 2022 marketing study, online directory listings was one of the few tactics that showed improvement in efficiency, notable given the overall weaker marketing metrics evident in the current study. In-person networking, blogging, and videos were other tactics that also managed efficiency improvements.

Supporting Tactics

Introduced for the first time in this study series is the concept of “supporting tactics”. Of the 24 tactics covered in this current marketing study, Kitces Research identified 3 of these as supporting tactics: SEO, newsletters, and social media. These were deemed “supporting” in the sense that they were most often used to bolster the effectiveness of other tactics. In cases where they are primarily supporting other marketing tactics as opposed to acting in a “standalone” capacity, their reported costs and returns are blended in with the costs and returns of the other tactics they support.

Figure 3.13 summarizes the extent to which these tactics were used in conjunction with other marketing tactics as opposed to being deployed independently. While about 4 in 5 advisors report using their newsletter to primarily support other marketing, the comparable shares are even higher for those who use social media and SEO in tandem with other tactics. Among the 3 supporting tactics, social media support tends to be more prevalently applied across more tactics.

Figure 3.13. Standalone Use Of Supporting Tactics



Which tactics tend to be deployed in tandem? Figure 3.14 summarizes (where sufficient data are available) the extent to which tactics tend to be supported by 1 or more of the 3 supporting tactics. Percentages represent the share of advisors who use the tactic in conjunction with 1 or more of the 3 supporting tactics.

Generally, tactics related to content production are frequently deployed in tandem with a supporting tactic. Digital tactics (which often overlap with content production) also tend to correlate with the use of supporting tactics. Among all tactics, ongoing video production and release is most often deployed with a supporting tactic. All 3 supporting tactics are usually involved in supporting videos, a content tactic that is typically digital-based.

Figure 3.14. Tactics Deployed In Conjunction With Supporting Tactics

Tactic	Social Media	SEO	Newsletter
Client Referrals	45%	25%	54%
Centers of Influence	44%	26%	43%
Custodial Referrals	*	*	*
Digital Solicitors	*	*	*
Traditional Solicitors	*	*	*
Online Advisor Listings [^]	26%	48%	24%
Third-Party Review Sites	*	40%	*
Cold-Calling/Door-Knocking	*	*	*
Direct Postal Mail	*	*	*
Webinars	79%	34%	60%
Seminars	66%	30%	43%
Client Appreciation Events	55%	28%	46%
In-Person Networking	45%	22%	31%
Social Media	---	58%	50%
Writing a Book [^]	63%	43%	46%
Writing for Third-Party Platforms	65%	63%	46%
Blogging	82%	79%	67%
Newsletter	53%	43%	---
Hosted Radio Show [^]	100%	*	*
Podcasts	88%	56%	64%
Videos	94%	76%	70%
Sponsorships/Paid Advertising [^]	55%	38%	26%
Media Appearances	89%	55%	39%
Search Engine Optimization	56%	---	33%
Average	57%	44%	42%

Note: Percentages represent the share of respondents using a particular tactic who reported using the tactic in tandem with 1 of the 3 supporting tactics.

[^]Based on 5–9 responses

*Less than 5 responses

Cold calling/door-knocking, another frequently supported tactic, is an outlier, however, in that it is neither digital or content-based. Generally, in-person tactics tend to be conducted independently. These include client referrals, COIs and in-person networking. Paid solicitations and listings also tend to not be supported.

The more important insight, here, however, is that tactics that are used most with a supporting tactic tend to achieve greater success – put more simply, they get support because that’s what increases the tactics chance for success. This is particularly true for the following tactics, which, when supported show a 40% or more greater chance of success:

- Book publishing
- Third-party articles
- Blogging
- Podcasts
- Videos
- Media appearances

For the remaining tactics, there is typically no material difference in success between whether or not they are paired with a supporting tactic.

Marketing Tactics – Going Deeper

Ahead we review the tactical groups and specific tactics in more detail so that advisors can better determine which might be right for their practice.

Referral Generation

Paid Solicitors

Cold Prospecting

Lead Generation Platforms

Marketing Events

Networking

Content Creation

Advertising

Search Engine Optimization



Referral Generation

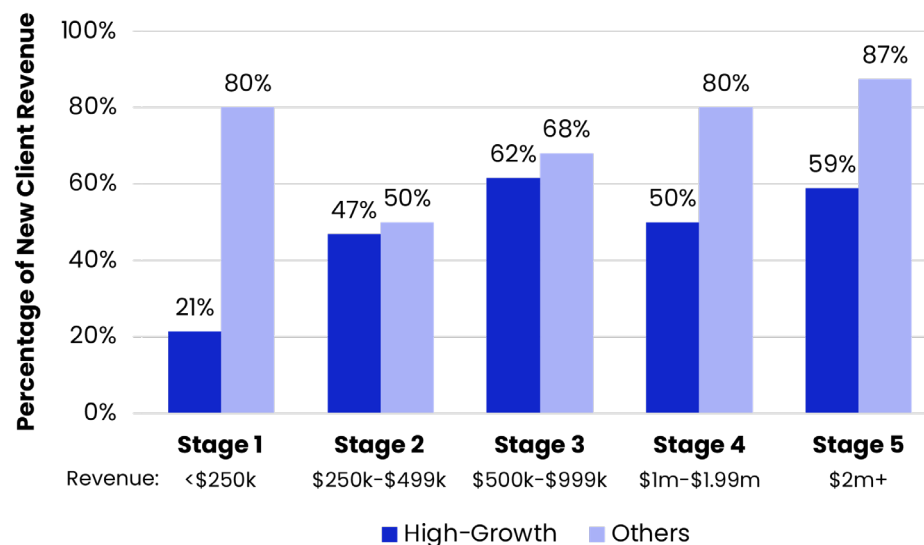
Referral generation tactics have long been the financial advisor's mainstay for attracting new clients, garnering much higher usage than other tactics. Included in this group are both referrals from clients, as well as centers of influence (COI) referrals where no payments are exchanged (Note: paid COI referrals are covered ahead under paid solicitors).

Nearly 9 in 10 advisors (88%) rely on client referrals; 62% depend on COI referrals. The high usage rates (and equally high satisfaction ratings) are not surprising, given top-ranking lead quality, which in turn supports high efficiency and success rates, in combination with low client acquisition costs.

While client referrals has always been advisors' most popular tactic, noteworthy is a first-time fall in usage for 2024. The share of advisors relying on client referrals declined from 93% in 2022 to 88% this year. Advisors could legitimately be trending toward other marketing tactics, but the decline may also be due to a greater share of newly established practices in the current study population. (In 2024 practices under \$250,000 in revenue accounted for 36% of responses, up from 32% in 2024.) Smaller practices in general, with fewer clients to draw referrals from, tend to be less reliant on client referrals as a result.

If advisors truly are moving away from client referrals (regardless of their development stage), there is strong support for why this might be the case. As we first highlighted in 2022, practices that are less reliant on client referrals tend to be among the industry's fastest growing. As shown in Figure 4.1, at every stage, high-growth practices are generating more new client revenue from other types of tactics that are often more scalable and more capable of proactively driving growth.

Figure 4.1. Share Of New Client Revenue From Referrals



Note: Excludes mature practices

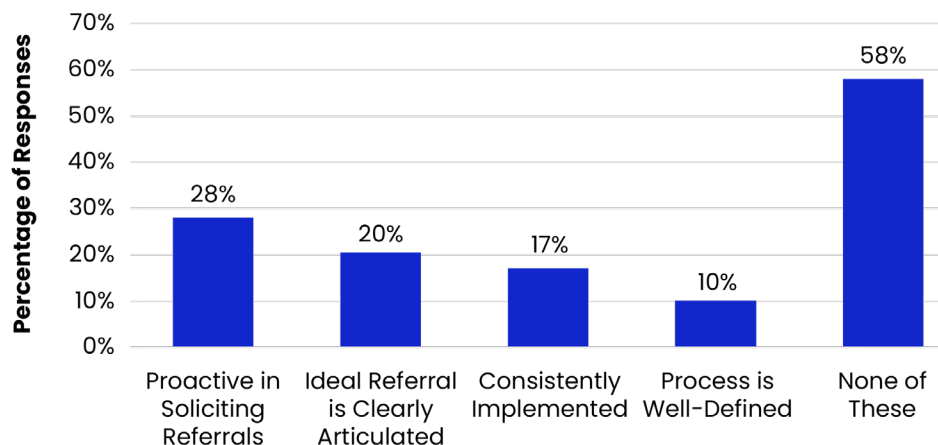
Beyond routinely acknowledging clients who provide the referral, though, most advisors have limited if any structure in their approach to referrals (95% of advisors thank their clients for referrals, with 88% of all advisors providing some kind of personal "thank you" correspondence).

As we did in 2022, Kitces Research queried advisors in terms of the level of structure that they applied to client referral marketing. Specifically, advisors were asked whether they possessed any of the following basic attributes that were more indicative of a strategic process:

- Proactive in asking clients for referrals
- Consistent process for asking for referrals
- Profile of the ideal referral that is clearly articulated with clients
- Well-defined process for asking for referrals

When asked whether any of these attributes applied to their practice, 58% couldn't claim any of them as being characteristic (Figure 4.2). This share is an improvement, however, over the 65% that did not meet any of these criteria in 2022.

Figure 4.2. Approach Towards Client Referrals



While 28% reported they were at least proactive in seeking client referrals, just 10% described their process as well-defined. Surprisingly, there was little correlation between being proactive about referrals, and having a consistent process for requesting them. Although a higher share of the 17% of advisors overall, just 42% of the proactive advisors carried out their process in a consistent manner.

All that said, even if advisors are more strategic about client referral marketing, it's not apparent that this makes a material difference in outperformance. In fact, the inverse appears more likely to be true. For each of the 4 indicators characteristic of a more strategic client referral approach, *not* having the attribute correlates with much greater marketing efficiency and much lower CAC for the tactic! In other words, advisors that are more proactive and process-oriented in asking for referrals are generating a *worse* ROI on their client referral efforts!

In fairness, this may be less about the merits of being “strategic” and more due to the fact that practices that tend toward a more deliberate referral approach are older and larger than their counterparts. They are clearly emphasizing client referrals, their advisors are dedicating more time to it, and they are gaining some more new clients through referrals as a result, but these clients come at a high cost. Because of their larger size, the strategic practices tend to have more highly compensated advisors, and these advisors are spending more of their costly time on soliciting client referrals. Effectively this suggests that attempts by larger firms to reinvigorate growth by tightening up their referral processes with their senior advisors will only backfire – given the heightened inefficiencies brought about by focusing more costly advisor time on client referrals. Not to mention the reality that at some point, long-standing clients (which make up a disproportionate percentage of a larger more established advisory firm's client base) will simply have made all the referrals they can out of their personal network, beyond which the proverbial well begins to run dry regardless of the effort put in.

Turning to generating referrals through centers of influence, COI performance metrics are similar to client referrals despite a lower rate of usage. Aggregate average CAC and efficiency are nearly identical for the 2 referral tactics. On the cost of execution side, both are dominated by the cost of advisor time, implying that COI marketing has its challenges in terms of scalability as well.

Unlike client referrals, however, marketing through COIs is equally popular among high-growth practices as it is with others, suggesting that under the right circumstances, mining centers of influence are more capable of driving growth that keeps up with an advisory firm's own growth cycle.

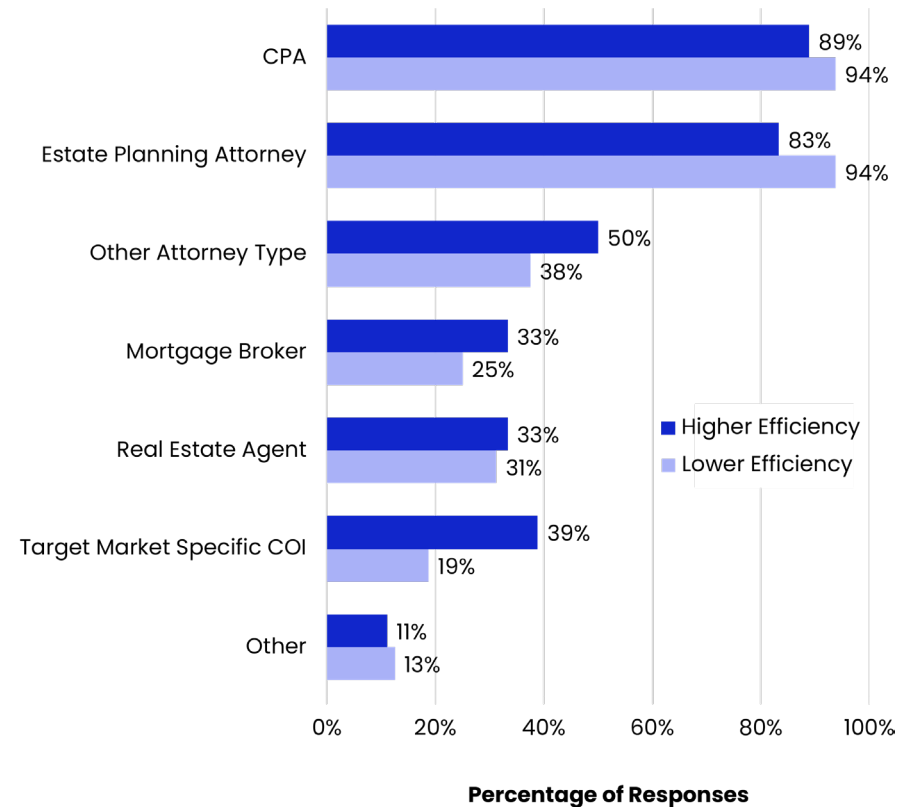
For the 62% of advisors that report using COIs as a tactic, they typically have maintained 5 COI relationships over the past year, with the top 2 of these relationships responsible for 50% or more of their COI referrals. High-growth practices tend slightly toward maintaining more COI relationships. Still, though, the implication is that a wide network of COIs isn't necessary, given that a few key relationships typically drive the majority of results.

Except for Stage 1 practices, those under \$250,000 in revenue, the relationship between total and top producing COIs holds fairly consistent. The typical small practice, however, maintains just 4 COI relations, with just 1 counting for the majority of referrals.

More so than the number of COI relationships maintained, what really separates those who do best with COI referrals is the type of COI that the advisor chooses to partner with. Practices that achieve better-than-median marketing efficiency typically work with the same number of COIs, and have the same number of top-producing COIs than others. The same is true for practices that achieve lower client acquisitions costs through COIs.

What does stand out in terms of a material difference in COI marketing results, though, is the type of COI relationships that better-performing advisors choose to work with. Largely as result, advisors that are above median in terms of their efficiency in marketing via COIs are not only getting more referrals and more revenue but also achieving these results at a lower cost. As shown in Figure 4.3, advisors with higher COI marketing efficiency tend to trend away from the time-honored and more typical reliance on CPA's and estate planners. Instead, they are more reliant on less traditional COI types including mortgage brokers, real estate agents, and attorneys who are not estate planners.

Figure 4.3. Types Of COIs Engaged With By Marketing Efficiency



Note: "Higher Efficiency" includes practices with median or greater COI marketing efficiency. "Lower Efficiency" includes practices with COI marketing efficiency below median.

The biggest distinction for the more efficient advisors, however, is their use of centers of influence that are specific to the advisor's target market. The share of higher-efficiency advisors relying on a target market COI, at nearly 40%, is more than double that of other advisors marketing through COIs. Not surprisingly, niche-focused advisors marketing through COIs are also far more apt to rely on a target-market specific COI. They, too, typically achieve lower acquisition

costs and greater efficiency compared to other COI marketers. (Despite their success with COIs, however, niche-focused practices are actually *less* apt than others to deploy a COI tactic.)

As summarized in Figure 4.4, referral generation tactics are generally cost-effective, quite efficient, and deployed with a high probability of success, but due to their tilt toward soft dollars (i.e. advisor time) there is a risk in advisors becoming overly reliant on them. Their lack of scalability may hamper the prospects of the practice sustaining growth over time, or conversely advisors who *do* want to sustain and scale their COI results over time may need to periodically seek out new ever-higher-volume COI sources, staying most invested into a select few relationships that can really drive results.

By development stage, referrals are a natural fit for maturing practices with little interest in marketing more proactively, although in terms of seeking client referrals much of the mature firm’s client base may have already been “tapped out” for producing referral opportunities. Conceivably, referrals may also be a fit for younger and smaller practices with ample low-cost advisor capacity but scarcity of hard dollars to dedicate to marketing. The challenge for a younger practice, however, is often a lack of sufficient established relationships to draw referrals from. At the least, this means starting with a select 1-2 high-quality COIs to build referrals early on, and shifting more towards a *client* referral approach later as the client base grows.

With the right approach, an emphasis on referrals can help an advisor to better target prospects that best fit the practice. This requires, however, that advisors clearly articulate their desired target client profile with their referral sources. In the case of working with centers of influence, it is also important to emphasize those COI relationships that are most frequently in contact with the target market in the first place. Mortgage brokers and real estate agents, for example, could be

a fruitful source of referrals for an advisor targeting younger wealth accumulators (who have enough income and wealth to be able to afford to buy a house, but may be less likely to already be attached to another financial advisor at their current age and stage of life).

Figure 4.4. Assessing Fit – Referral Generation

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Low acquisition costs and high efficiency • High advisor satisfaction • High success rates • Small number of key relationships can generate the majority of the results 	<ul style="list-style-type: none"> • Less scalable given inability to substitute advisor time for hard dollars when investing into key relationships • Difficult to sustain growth through client referrals once “well runs dry” • Heavy reliance on client referrals is not characteristic of high-growth practices • Critical mass of clients needed before a client referral strategy is truly viable

Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Practices with advisor capacity but a lack of hard dollars • Mature practices with little interest in active marketing • Stage 3 practices or larger • Practice age of 10 or more years • Niche practices working with target-specific COIs to attract hard-to-reach prospects 	<ul style="list-style-type: none"> • Practices with high growth goals • Client referrals for Stage 1 practices or practices under 5 years of age • Practices that lack an understanding of the type of COI that is best suited for the type of prospect they are targeting

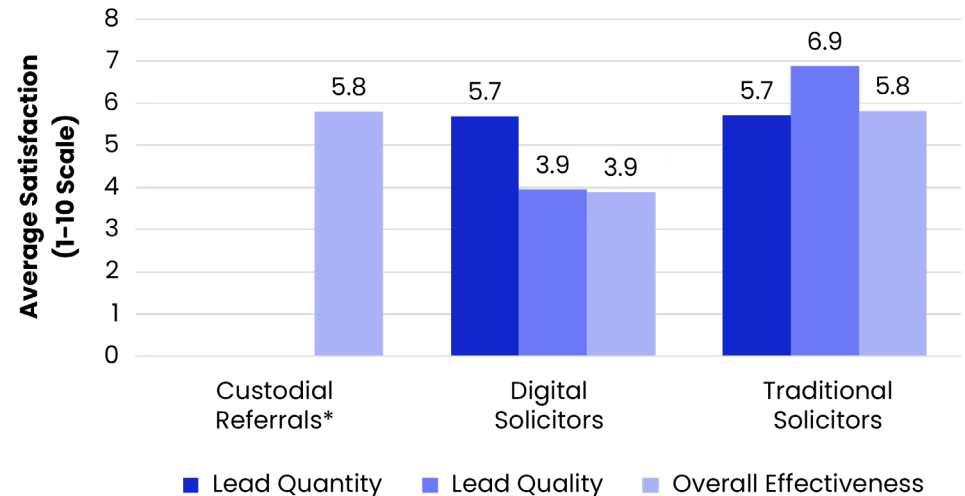
Paid Solicitors

Paid solicitor tactics include custodian referral programs, digital solicitors, and traditional (i.e., any other) third-party solicitors. The commonality across these tactics is that there is some form of payment from the advisor to the solicitor for providing a referral or prospect. Digital solicitors include websites where, unlike online directory listings, leads are provided for payment contingent on the referral becoming a client. Similarly, traditional solicitors (e.g., CPAs or attorneys) are distinct from centers of influence relationships that do not involve payments.

Paid solicitors (along with cold prospecting) is among advisors' least-used marketing tactics. Despite frequent coverage from trade media, participation in custodial referral programs is particularly low due to their exclusive nature. The usage rate for custodial referrals, at 1%, ranks last, limiting our coverage of this tactic. For those who do use paid solicitors, though, success rates are above average relative to other tactics, but revenue per client is about average. Advisors gave both custodial referrals and traditional solicitors an average satisfaction rating of 5.9, an average that bested all but 3 other tactics surveyed (Figure 4.5, right).

In contrast, satisfaction with digital solicitors ranked among the lowest of any tactic, averaging just 3.9. While advisors were quite satisfied with the quantity of leads that came from digital solicitors, they were not at all satisfied with the quality of these leads, which dragged down their overall satisfaction rating of the tactic. This is consistent with the broader trend that advisor satisfaction with marketing is driven more by quality rather than quantity and implies that digital solicitors may be challenged in adequately filtering referrals to best suit a particular advisory practice.

Figure 4.5. Satisfaction Ratings, Paid Solicitors

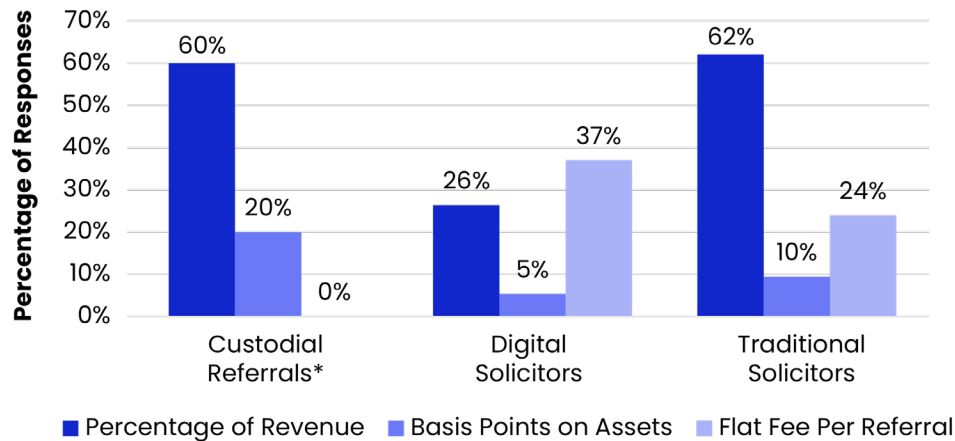


*Quantity and quality ratings for custodial referrals are unavailable due to lack of sufficient responses. The overall effectiveness rating for custodial referrals is based on just 5 responses.

Most popular are Zoe Financial and WealthRamp, used respectively by 20% and 13% of advisors using digital solicitors. Regarding use of traditional solicitors, most advisors (52%) rely on some type of professional other than a CPA or attorney, though CPAs are relied on by 38%, and attorneys account for 29% of advisors using other paid solicitors.

Payment terms vary depending upon the type of solicitor providing the referral (Figure 4.6). Most referrals from custodians and traditional solicitors are charged based on a percentage of revenue generated from the referral, which is typically 25% per year paid annually for 25 years or more. Digital solicitors most often charge based on flat fee per referral, with typical fee being \$1,000 per referral paid over 1–2 years.

Figure 4.6. Popular Payment Terms, Paid Solicitors



*Based on just 5 responses

Custodial referrals have a reputation for being a steady growth pipeline for firms that can qualify for them. Time commitment for participation in these programs is relatively low (at least compared to many other marketing tactics), and success rates are near-guaranteed. Unless a practice is long-established with a full suite of resources for serving higher-net-worth clientele, however, it is not likely to be considered by a custodian for inclusion. Further, opportunities for joining these programs are contracting with the merger of TD Ameritrade and Schwab.

More potential exists for advisors, especially those interested in aggressively pursuing growth, to benefit from traditional and digital solicitors. High-growth practices are twice as likely to use these types of solicitors. For a younger and smaller practice, solicitors can help to jump-start growth and establish a client base that can in turn generate its own referrals. Larger, more mature practices, with dwindling opportunities to mine clients for referrals, can benefit as well.

While the use of traditional and digital solicitors requires hard-dollar expenditures, typically there are only costs when the referral becomes

a client, and payments are often stretched out over a period of time. Advisors considering traditional or digital solicitors, however, will want to account for the time they will need to commit to ensure they receive quality referrals. This means working with the solicitor so that they understand your target client profile or, alternatively, filtering sub-par leads on your own. Figure 4.7 provides an additional summary for assessing whether paid solicitors could be a fit for your practice.

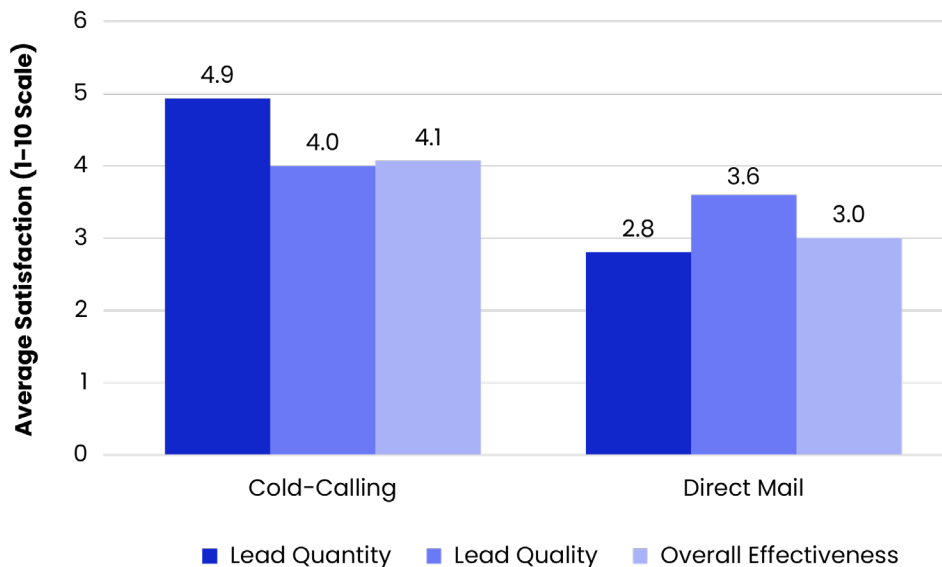
Figure 4.7. Assessing Fit – Paid Solicitors

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Success rates well above average • Sustainable in that advisor time commitment is low • Contingent nature of fees (typically only paid on success) allows the tactic to “pay for itself” in hard-dollar costs 	<ul style="list-style-type: none"> • Requires advisor time to clarify with referral source the profile of a quality referral • Alternatively requires advisor time to filter out sub-par referrals • Stringent requirements to participate in custodial referral programs • Total cost can be high, albeit often paid over time and only contingent upon success
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Solicitors other than custodians are ideal for start-up practices with high-growth ambitions • Paid solicitors in general may be good fit for more established practices who are interested in growth but prefer to outsource marketing • Custodial referrals ideal for established practices with capability to serve HNW market but limited internal marketing capacity 	<ul style="list-style-type: none"> • Practices that lack a good understanding of their target prospect or are unable to articulate their ideal target profile • Custodial referrals not realistic for less experienced practices with limited service capabilities

Cold Prospecting

Working the phone, knocking on doors, and direct postal mail were once dominant forms of marketing for financial advisors (at the time more commonly referred to as brokers). Today these cold prospecting tactics have just a small share of devotees, with usage under 5%. “Paid Solicitors” is the only other category that rivals cold prospecting in terms of lack of popularity. However, while paid solicitors appear to be less popular simply because of the cost, the low usage of cold prospecting is driven by the poor satisfaction with these tactics (Figure 4.8).

Figure 4.8. Satisfaction Ratings, Cold Prospecting



In fact, direct mail ranked lowest in satisfaction across all tactics, scoring particularly poor in terms of lead quantity (which is not entirely surprising, given the sheer market saturation of advertising solicitations in the average American’s mailbox). This suggests mail may be somewhat capable for targeting the right prospects, but it is not at all effective in converting them to prospects. In contrast, advisors were reasonably happy with the ability for cold calling (including door-knocking) to bring in prospects, but they were less pleased about the quality of these prospects. As a result of the ongoing relationship between lead quality and advisor satisfaction, cold calling was among the bottom half of all tactics in satisfaction.

Despite the dissatisfaction, high-growth practices are not any less prone to use these tactics than others, implying that when executed well cold prospecting can be an effective component of an advisor’s growth strategy. Cold prospecting tactics do tend to be quite successful in winning new business. In fact, for all its disrepute, cold calling or door-knocking is 2nd only to client referrals in terms of success in generating at least *some* new business. The business won, however, ranks last in terms of revenue per client at a median of just \$3,750. Chances for success are not as good with direct mail, but the tactic does attract considerably higher revenue per client at \$7,000.

Given the reality that cold prospecting tends to generate lower-revenue clients, but virtually always generates at least *some* success given enough time and activity effort, the tactic is primarily done by smaller start-up practices eager to establish brand awareness and ramp up an initial base of clients. Their advisors have little money to spend on marketing, but can contribute time at relatively low cost, making cold prospecting more suitable relative to larger practices. While cold prospecting may still have potential to cost-effectively deliver results for more mature practices, doing so, however, will require them to delegate the bulk of implementation to lower-paid marketing personnel within their teams or to outsource the tactic entirely. Figure 4.9 offers further assessment of cold prospecting’s merits.

Figure 4.9. Assessing Fit – Cold Prospecting

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Success rates well above average, albeit requiring persistent time and effort • Above average revenue per client for direct mail • Select high-growth practices do use these tactics 	<ul style="list-style-type: none"> • Low advisor satisfaction • Below average revenue per client for cold calling/cold knocking • High time cost with cold calling – lacks scalability without effective means for outsourcing
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Start-up practices with restricted hard dollars but ample advisor time • Practices willing to find the right outsource solution for implementation (and some financial wherewithal to pay for that support) 	<ul style="list-style-type: none"> • Cold calling is not suitable for practices with more highly paid advisors who are doing it themselves • Outside of start-ups, these tactics are a poor fit for practices that insist on doing it themselves

Lead Generation Platforms

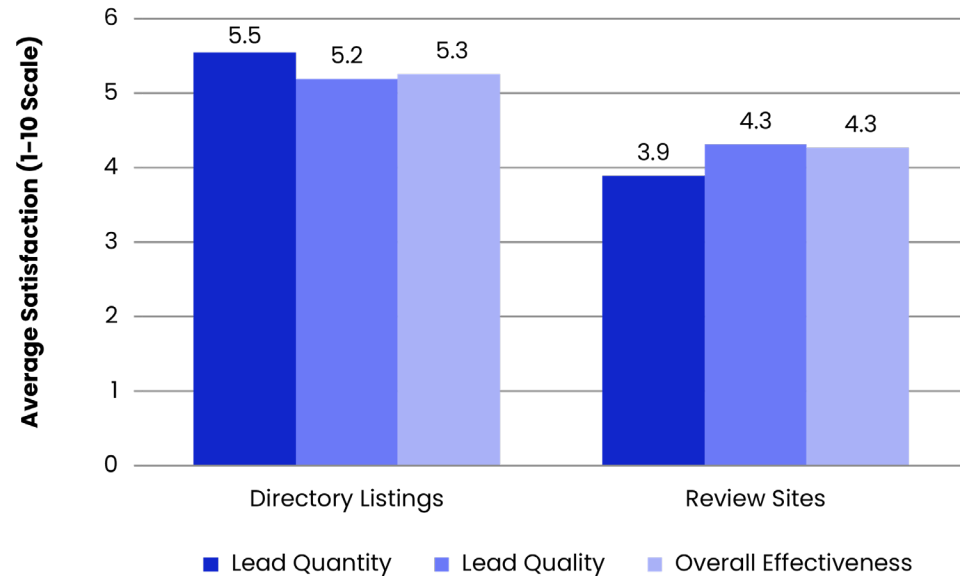
Tactics making up the lead generation platform group include online advisor directory listings (e.g., CFP Board, NAPFA, Fee-Only Network, or XYPN’s Find-An-Advisor portals) as well as third-party review sites such as Yelp or Google Reviews. Online listing services are different from digital solicitors in that the only payment made by the advisor, if any, is a dollar amount per lead or flat fee for a listing in the directory. There are no payments linked to whether the lead becomes a client (which for regulatory purposes means they are not treated as paid solicitors as additional disclosures would otherwise be required).

Leveraging lead generation platforms falls in the lower tier of the tactic groups in terms of usage. While about 1 in 5 advisors make use of listing services, just 8% are monitoring review sites for leads. However, deploying review sites for marketing was a tactic not previously included at all in prior Kitces Research marketing studies; such platforms only became feasible for advisors to engage with more proactively as a part of the SEC’s new Marketing Rule in 2022, which clarified the ability of advisors to engage with third-party review platforms. We anticipate that their prominence should only increase in the years ahead, compounded by the growing popularity in general for consumers to rely on these sites for their purchase decisions.

Despite the relatively low usage and moderate satisfaction ratings, directory listings usage is among the more successful tactics and rank best in terms of low client acquisition cost and highest of any tactic in regard to marketing efficiency. Online listings typically result in 2 new clients per year for a practice, in line with the norm of for other tactics.

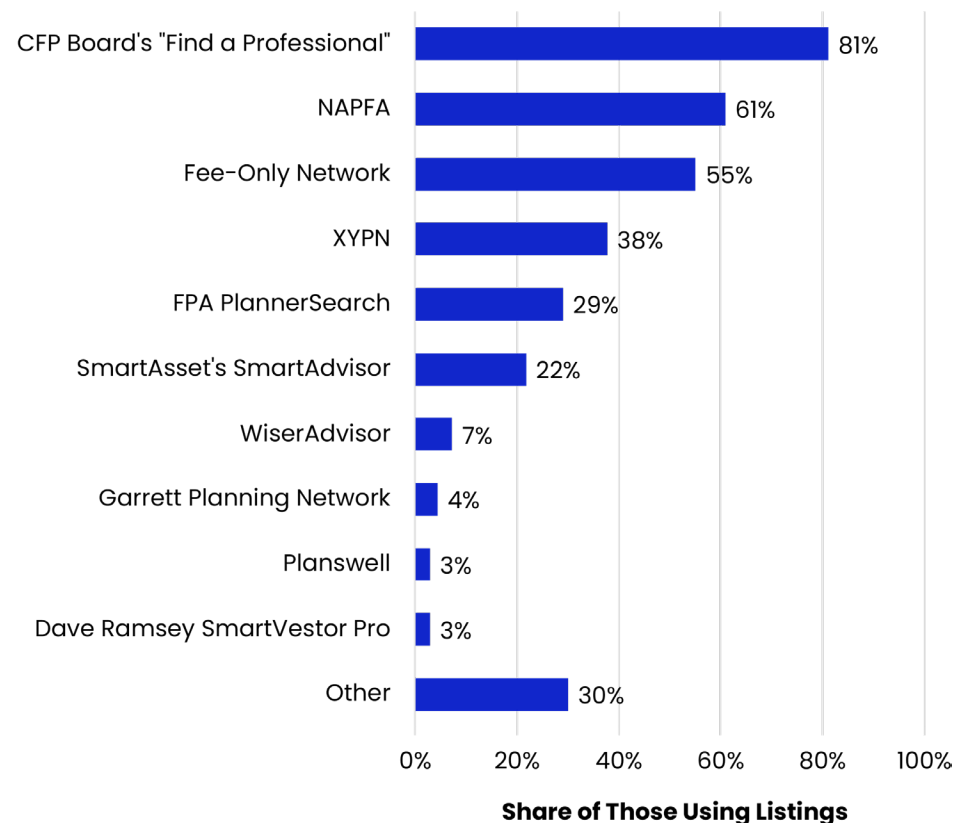
CAC and efficiency data are unavailable for use of review sites but the tactic’s success rate, at 50%, is below average as well as its ratings for satisfaction. Advisors are slightly more satisfied with the quality of leads that come through review sites than they are with the quantity, and the reverse is true for directory listings, though overall advisors are significantly more satisfied with quantity, quality, and effectiveness of directory listings than third-party review sites. (Figure 4.10)

Figure 4.10. Satisfaction Ratings, Lead Generation Platforms



More than half of advisors who use listing services, list on either CFP Board’s “Find a Professional, NAPFA, or Fee-Only Network websites. Among these CFP Board is most popular, accounting for an 81% share of directory users (Figure 4.11). Other popular providers include XYPN, FPA PlannerSearch, and SmartAsset’s SmartAdvisor.

Figure 4.11. Online Advisor Directory Listings Used



While the CFP Board listing is most popular, it ranks poorly in terms of advisor satisfaction with lead quantity as well as lead quality. It is also 2nd to last among the 7 providers with an available rating in terms of average advisor satisfaction with overall value. NAPFA is the highest-ranking, not just in terms of overall value, but also in lead quality. SmartAsset’s SmartAdvisor, middle-of-the-pack in terms of lead quality, outshines all providers in terms of its ability to provide leads in quantity. Though overall, as with other tactics, average ratings for a provider on lead quality generally tend to track closer to overall value ratings compared to ratings for lead quantity.

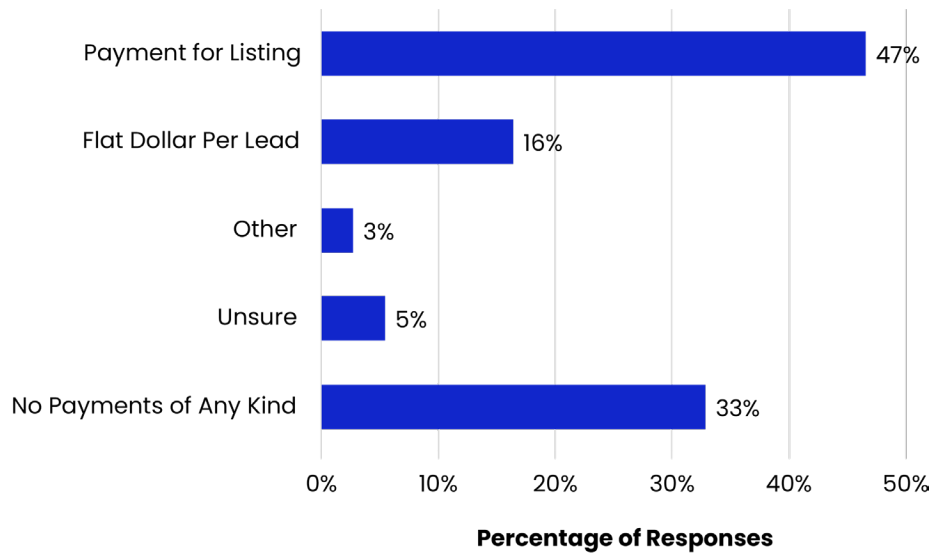
Figure 4.12. Online Directory Listing Providers, Detailed Satisfaction Ratings

Provider	Lead Quantity	Lead Quality	Overall Value
CFP Board's "Find a Professional"	1.9	3.3	4.6
Fee-Only Network	3.1	4.9	4.8
FPA PlannerSearch	1.6	2.3	2.3
NAPFA	3.9	5.9	5.8
SmartAsset's SmartAdvisor	7.5	4.8	5.2
WiserAdvisor*	-	-	5.6
XYPN	3.2	4.4	5.3

**Based on just 5 responses*

About half of advisors pay an explicit fee for a listing, while nearly 4 in 10 pay nothing at all (as CFP Board’s Find-A-CFP-Professional pages are available to anyone who has their CFP certification), with 16% paying a flat fee per lead generated by the listing (Figure 4.13). Typical annual fee for a listing is \$440, with \$150 being typical for payments made on a per referral basis.

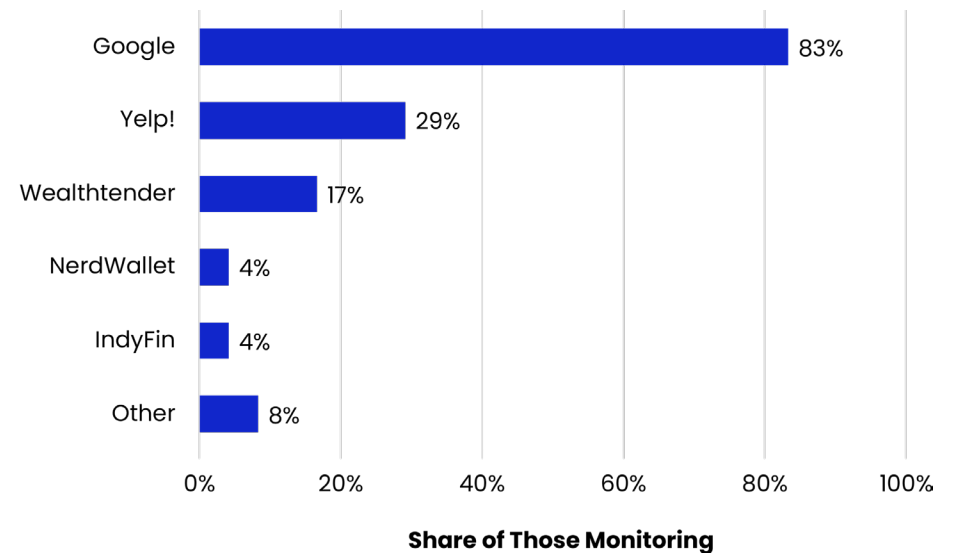
Figure 4.13. Online Directory Listings, Payment Methods



Turning to review sites, in many ways advisors are still working out how to best leverage them for marketing purposes. Of those who do engage with review sites, less than half (44%) proactively encourage their clients to leave reviews. 1/3 describe their approach as passive and do not regularly pay much attention. The remaining 22% primarily are just monitoring review sites but not actively engaging with them at all. For those advisors who proactively encourage reviews, 13% of clients typically leave one. This compares to 4% for advisors who just monitor review sites but don't actively engage.

By a wide margin, Google is most frequently utilized review site, monitored by 83% of the advisors who engage with review sites (Figure 4.14), followed by Yelp at 29%, signaling that thus far, advisors are tending towards already established platforms where consumers leave reviews for a wide range of products and services. Sites that are more specific to financial advisors, including Wealthtender (17%), NerdWallet (4%), and IndyFin (4%), are adopted far less often.

Figure 4.14. Review Sites Monitored



To conclude, marketing through lead generation platforms is a tactic that is worth considering for virtually every type of practice, at the least to be listed in already-popular advisor listings (e.g., CFP Board, and NAPFA and Fee-Only Network for advisors who are eligible), and gather reviews on popular consumer review sites (e.g., Google and Yelp).

While working with review sites has a more limited track record, the case for marketing via directory listings is clear in the form of simplicity, low-cost, and high efficiency. Being included in a directory requires little more than signing up and, at times, paying a nominal fee in exchange for a consistent, albeit typically moderate, flow of leads. Listings are particularly suitable for less-established practices with limited resources, where even just a few leads can have a meaningful impact on early-stage growth.

With usage low but likely to increase, review sites are a tactic that may be yet to show its true promise, as advisors learn to better maximize the potential of engaging with these platforms. Review sites look to be particularly suitable for larger practices looking to amplify the credibility of their presence, and perhaps reinvigorate their marketing quiver. Their bigger and more established client bases can more readily form a foundation for cultivating reviews that will sufficiently raise awareness of the practice. See Figure 4.15 for a further summary.

Figure 4.15. Assessing Fit – Lead Generation Platforms

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Simple to take part in or engage with • Directory listings the best-ranking tactic for both low cost and high efficiency • Success rates well above average for directory listings • Sustainable in that advisor time commitment is low 	<ul style="list-style-type: none"> • Limited ability to influence and increase referral flow through directory listings beyond whatever they passively provide • Tepid success rates for review sites
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Good fit for practices with limited resources • Directory listings especially ideal for startup practices with high-growth ambitions • Review sites particularly advantageous for practices with large client base 	<ul style="list-style-type: none"> • Practices that lack a good understanding of their target prospect or are unable to articulate their ideal target profile • Smaller practices may not have a client base sufficient in size to generate material awareness through review sites

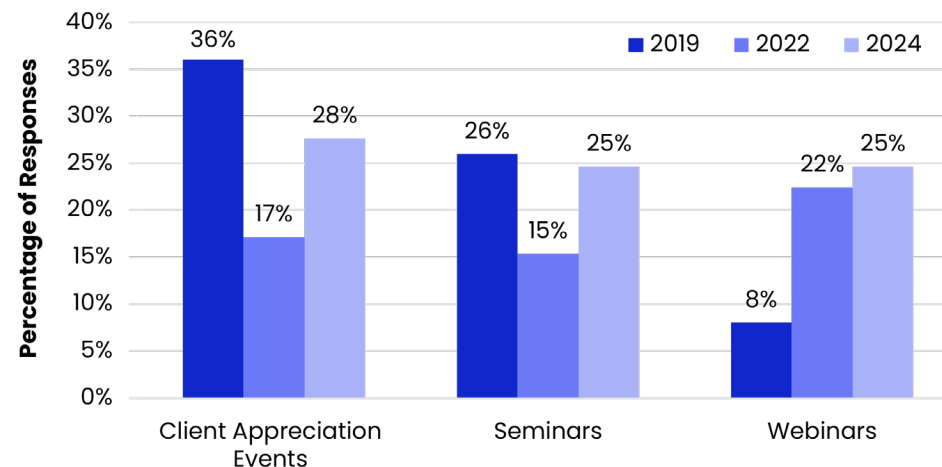
Marketing Events

Compared to other types of tactics, staging and hosting a marketing event requires a heavier investment in planning and set-up, but with potentially lucrative though often uncertain payoffs. Regardless of whether there is an immediate impact on bringing in new clients, however, events offer advisors the opportunity to reinforce their brand and strengthen engagement with clients as well as prospects.

3 different event types comprise the events tactical group – webinars, seminars, and client appreciation events. About 1/4 of advisors routinely host events, with usage making some dramatic shifts in recent years as advisors navigated the pandemic environment (Figure 4.16). Due to pandemic-related restrictions on in-person events, the share of advisors putting on seminars and client events dropped sharply in 2022, while those conducting webinars remotely surged. Currently, in-person events are edging back closer to their pre-pandemic level of popularity, though webinars are not reverting and instead also continue to increase in acceptance.

Advisors have lower-than-average satisfaction with all event types, however, consistent with below-average success rates. Though, among event tactics, seminars have the highest satisfaction and success, and with the exception of webinars, revenue per client attracted through an event is quite high. Median revenue per new clients generated through client appreciation events, at \$10,000, tops all other marketing tactics. That said, the combination of high production expenses and relatively low typical levels of success causes this group to have the highest acquisition cost and lowest efficiency across all the tactical groups.

Figure 4.16. Marketing Event Usage, 2019–2024



To better understand how advisors put on events and identify ways they can be more successful applying these marketing tactics, Kitces Research added considerable detail to this year’s marketing study related to event implementation. Highlighted in Figure 4.17 are some of the key ways advisors typically structure their event marketing.

More important than what is typical, though, is what stands out for those advisors who are most effectively using events to market. Some key distinctions surface when isolating those practices that are successful in attracting new clients with events, versus those who are not. The first most obvious finding is that the more successful advisors are simply getting in front of more prospects more often. Across each event type they are typically conducting 1 more event per year than others, and attracter greater attendance per events (in the range of 30%–60% more attendees depending upon the event type).

Helping to amplify attendance, successful advisors are spending more hard dollars on events as advisor time accounts for a lesser share of overall costs. Reallocating costs away from advisor time and toward an event planner, for example, serves to not only reduce overall costs but also ensures a more professionally run (and ostensibly, more likely to be successful) event.

There are also subtle differences in promoting the event. While all advisors lean toward email to generate their leads for events, successful advisors are more apt to use additional methods including postal mail, social media, and search engine optimization. Lastly, successful advisors are more likely to consider times outside of traditional business hours for holding events. For example, while unsuccessful advisors tend to hold seminars during weekdays, the typical successful advisor hosts on weeknights.

Given the cost of planning and production, but only the occasional potential to win valuable clients, event hosting is a “high risk, high reward” tactic when it comes to attracting clients. When winning over a client, most typically through a webinar or in-person seminar, the sales cycle is shorter, however, taking typically just 2–3 months from hosting the event, scheduling post-event prospect meeting, and then onboarding the new client. As such, events will not always be suitable for many types of firms, though the firms that are able to execute events successfully are leaning in and investing further to amplify their positive results.

Figure 4.17. Marketing Event Key Characteristics

	Client Appreciation	Seminar	Webinar
Frequency Per Year	2	4	4
Typical Location	Restaurant	Conference Space or Event Center	Online
Typical Time	Weeknight	Weeknight	Weekday
Number of Attendees	30	20	20
Share Who Never Charge for Attendance	---	89.0%	96.2%
Lead Generation Method	Email	Email or Social Media	Email or Social Media
Hard-Dollar Cost	\$8,000	\$4,000	\$225
Hard-Dollar Share of Total Cost	38%	27%	3%
Aggregate Average CAC	\$59,929	\$19,097	\$32,539
Aggregate Average Marketing Efficiency	0.1	0.5	0.2

Niche-focused advisors seem to be a natural fit for deploying events, however, though currently they are not demonstrating any special propensity for the tactic. Events tightly managed to address a specific need or demonstrate specialized expertise can be a powerful tool for demonstrating niche-specific proficiency and winning the trust of prospects within the niche as a result. Figure 4.18 provides a further summary for evaluating marketing events.

Figure 4.18. Assessing Fit – Marketing Events

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • High revenue per client • Effective for emphasizing practice expertise and strengthening engagement • Effective for increasing brand awareness • Fast results cycle – prospects decide whether to engage at the end of the seminar/webinar event 	<ul style="list-style-type: none"> • High acquisition costs • Low success rates unless the practice refines its execution • “Trial and error” period often required before achieving success
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Practices comfortable with “high risk, high reward” tactics • Practices that view events as 1 component of a long-term marketing plan • Established resource-abundant practices that apply events as supplementary marketing 	<ul style="list-style-type: none"> • Practices with limited resources to host (and promote) the event

Networking

The tactic category of “Networking” includes in-person networking activities, as well as in an online environment via social media. In both instances the advisor is in contact with prospective clients in a more informal and organic way relative to other marketing tactics. Networking is the most widely used tactical group outside of referral generation.

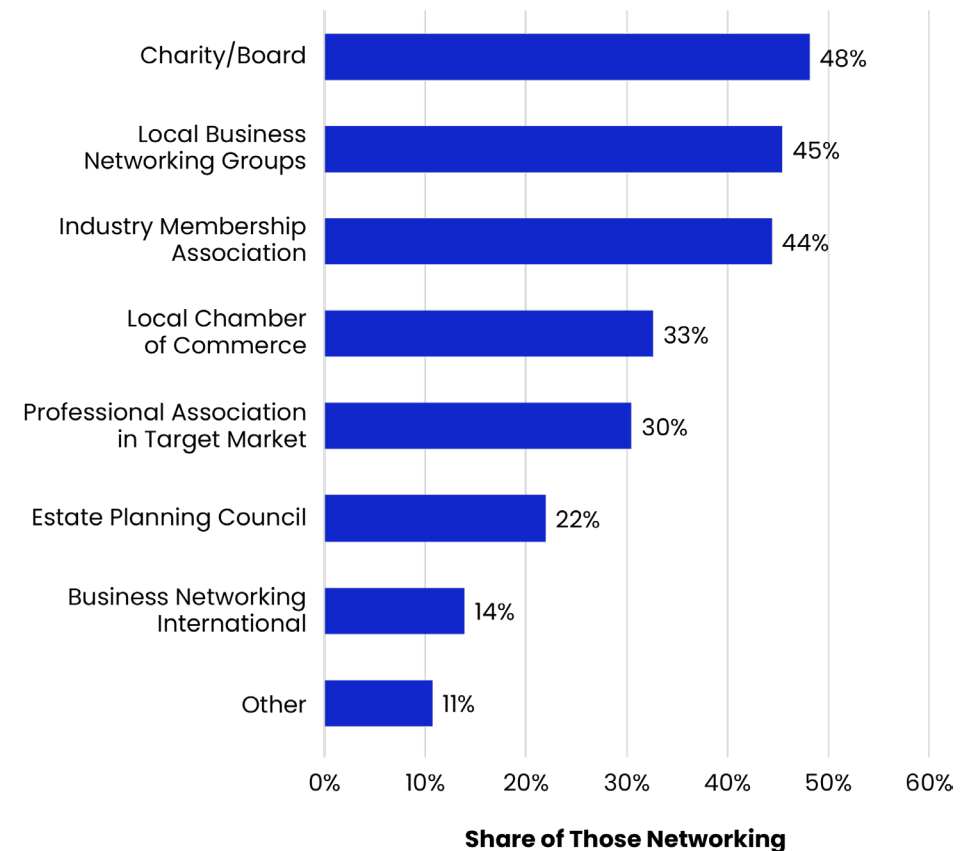
The popularity of in-person networking aligns with its relatively low hard-dollar cost, high rate of success to generate at least 1 client and, as a result, high marketing efficiency. The tactic is equally prevalent among both high-growth practices and others.

In contrast, social media shows weaker performance as a direct marketing tactic; its popularity is likely due more to its value playing a supporting role. Social media, when used independent of other tactics, achieves below-average success, resulting in above-average CACs and marketing efficiency that is among the lowest of all tactics. Given this, it is not surprising that high-growth practices make lesser use of social media (just 40% usage compared to 60% for others).

That said, 86% of advisors are primarily using social media to support and boost the productivity of a wide range of other marketing tactics. Writing books, articles, or blogs, releasing videos, and making media appearances, for example, all are tactics where social media typically plays a prominent role in boosting their success.

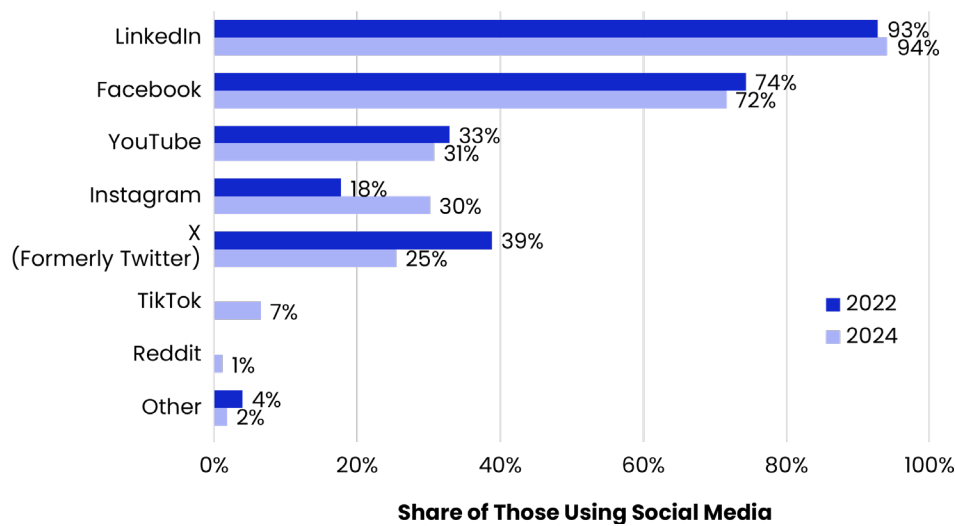
Where do advisors tend to network? In-person networking takes place across a variety of different groups but nearly half of advisors tend to frequent charities and boards, local business networking groups, and industry associations such as FPA or NAPFA (Figure 4.19). Advisors often pay to participate in these events; just under half rarely or never pay. When payments are made, the typical attendance cost is \$50. There is no clear correlation between paying more to attend an event and greater success in finding new clients at the event.

Figure 4.19. Groups Used For In-Person Networking



For online networking, advisor platform use is dominated by LinkedIn (94% usage) and Facebook (72%), with usage shares nearly identical to what was observed in 2022. YouTube, Instagram, and X (formerly Twitter) are also utilized by a significant minority of advisors (Figure 4.20). Relative to 2022, fewer advisors are using X, while the usage rate for Instagram has nearly doubled.

Figure 4.20. Social Media Platforms Used, 2024 And 2022



Note: Respondents were not asked to report TikTok or Reddit usage in 2022.

Depending upon whether the practice uses social media independently or in tandem with other tactics, there are clear distinctions in both the frequency of social media posts and the use of external support in making posts (Figures 4.20 and 4.21). Posts are far more frequent, typically at a rate of several times a week or more, when social media is used in a supporting role. Despite the greater frequency of posts, advisors using social media in tandem with other tactics are less likely to enlist outside help, with 58% being entirely self-sufficient.

Figure 4.21. Social Media Posting Frequency, When Used Independently Vs As A Supporting Tactic

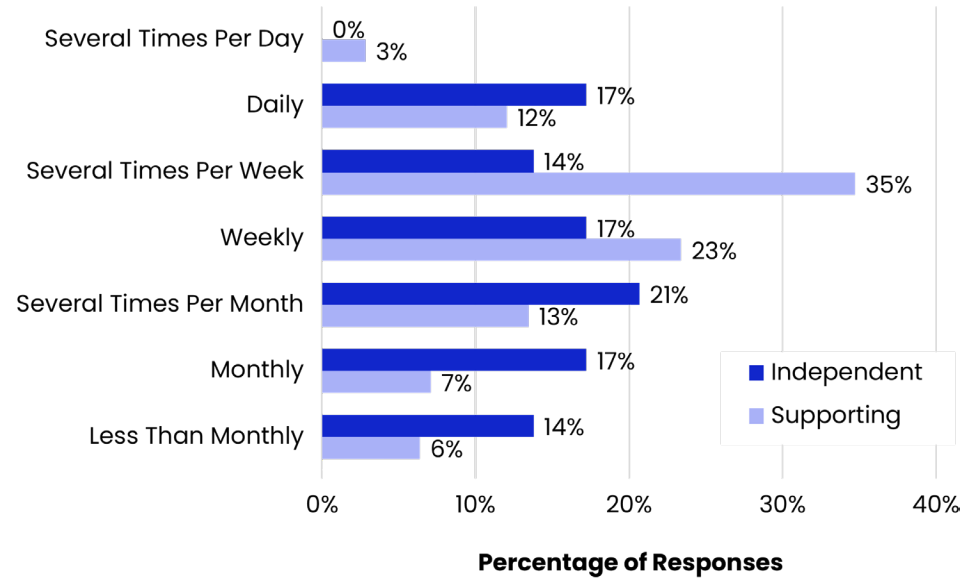
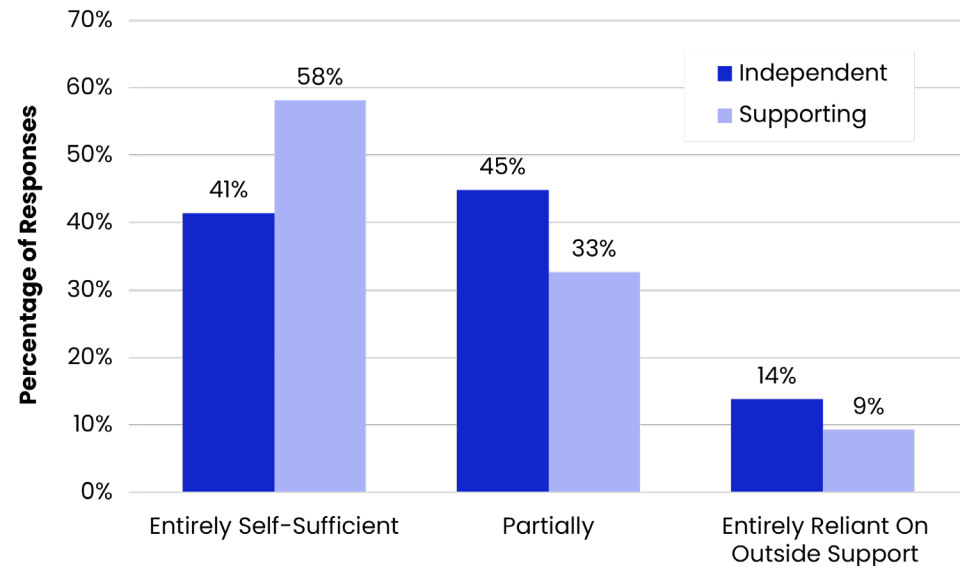


Figure 4.22. Use of External Support, Social Media, When Used Independently Vs As A Supporting Tactic



Successful networking looks slightly different depending upon the networking tactic. For in-person networking, those practices at median or above in terms of marketing efficiency tend to be a bit younger in terms of the age of the practice (7 years versus 9 years), and about 1/3 smaller in terms of revenue and assets. This results despite a general tendency for practices that do in-person networking to be larger and more established. Because in-person networking is time intensive, smaller practices are able to network more efficiently as the advisor's time tends to be lower cost.

A practice is also more likely to network in person if it is *not* niche-focused, yet being niche-focused does not distinguish a practice in terms of better or worse networking efficiency. Some correlations do exist, however, among the more efficient in-person networking advisors in terms of how they network. Those with above-median marketing efficiency are much likelier to network through local business networking groups, chambers of commerce, and Business Networking International. They are notably less likely to rely on industry associations and target market professional associations. High efficiency networkers are also more likely to pay to network, with 76% paying to attend at least some networking events compared to only 40% for those less efficient.

Turning to networking via social media, the tactic is used across a variety of practice types. One of the few distinguishing characteristics for practices that apply the tactic is that in general they are more apt to serve younger clients. Advisors deploying social media independent of other tactics, however, tend toward an older client base relative to those advisors using social media in a supporting role.

More distinctions emerge when further segmenting these advisors according to whether they were successful in landing new clients through the independent application of social media. Compared to

those who failed at the tactic, a greater share of successful advisors were niche-focused (33% versus 9%). They also tended to be on social media more frequently – 44% posted at least weekly compared to 36% of others. Despite their more frequent use, though, successful advisors were more apt to not rely on external support in doing so.

Lastly, advisors that won clients through social media are focusing much of their messaging on LinkedIn as well as leaning into Instagram over Facebook (both owned by Meta). While every successful advisor used LinkedIn, only 83% of others did so. Successful advisors were much less prone to use other platforms, including Facebook, used by just 56% of successful advisors compared to 82% of those unsuccessful.

Figure 4.23. Assessing Fit – Networking

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Social media boosts marketing productivity when combined with other tactics • High success rates and lower costs result in above average marketing efficiency for in-person networking 	<ul style="list-style-type: none"> • Social media, as independent tactic, is high-cost and low-efficiency • Social media shows higher advisor time commitment, especially amongst those who are successful • In-person networking less scalable given inability to substitute hard dollars for advisor's limited time
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • In-person networking most suitable for (typically smaller) practices with lower-cost advisor time • Social media enables niche focus practices to better reach their more specific target markets • Social media is ideal for practices wanting to amplify the impact of other (content-based) marketing tactics 	<ul style="list-style-type: none"> • In-person networking is not always cost-effective for larger practices given higher costs of advisor time • Practices that lack an understanding of what type of networking is most appropriate for the type of prospect they are targeting

Content Creation

Creating and distributing educational content for marketing purposes is often a powerful way to promote a brand, establish credibility with prospects, and communicate the value that the practice can bring to an advisor-client relationship. Included among the content-related tactics are book publishing, writing articles for third-party platforms, blogging, newsletters, hosted radio shows, podcasts, videos, and actively pursuing media appearances.

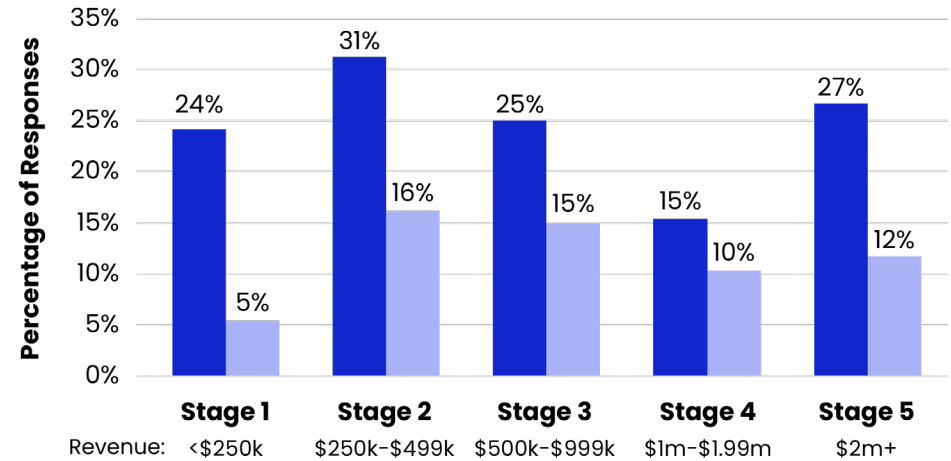
Content generation tactics are typically a more “inbound” form of marketing, which are predicated on attracting prospects to the firm by demonstrating its potential value and emphasizing the firm’s expertise. Given this, content is often an ideal match for advisors who are uncomfortable with more “outbound” sales approaches.

Usage varies across this group from a low of just 2% of advisors that host their own radio show to a high of 37% who distribute a newsletter. Revenue per client for this group of tactics tends to be above average. Despite typically lower rates of success, however, for tactics with available data, the acquisition costs are just below average and marketing efficiency is slightly above average.

Many content creation tactics tend to be more prevalent among high-growth practices, though. This is true for third-party articles, blogging, podcasts, and in particular video production (Figure 4.24).

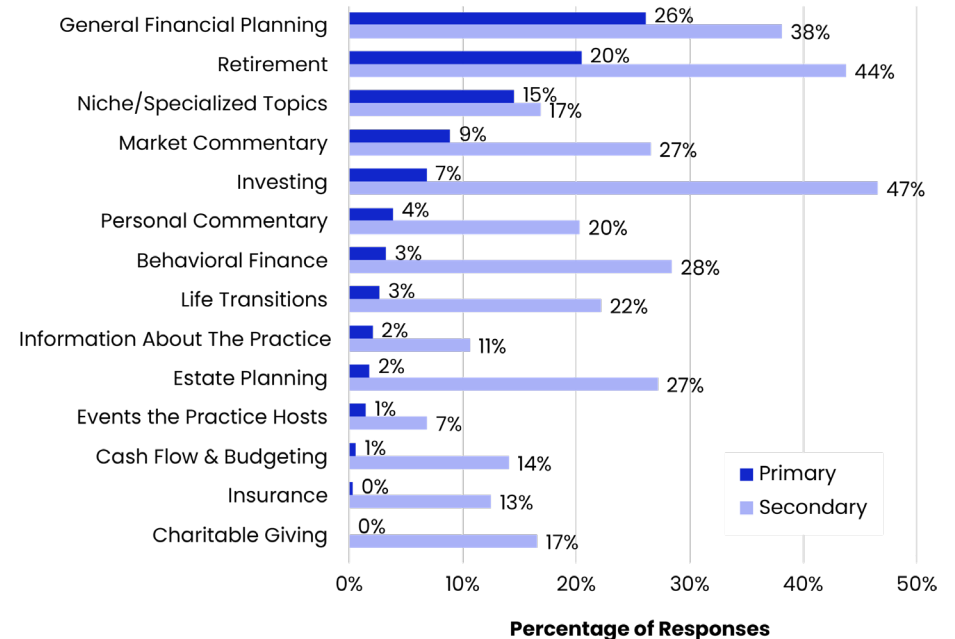
What topics do advisors emphasize in their marketing content? Financial planning in general is the primary focus for about 1/4 of advisors, while another 20% most often feature retirement topics (Figure 4.25). In turn, just 7% primarily feature investing topics, though nearly half highlight investing on a supplementary basis. Content

Figure 4.24. Video Usage, High-Growth Vs Others



Note: Excludes mature practices

Figure 4.25. Topics Most Emphasized in Marketing Content



emphasized by high-growth practices is largely the same relative to others. with the exception of 2 topics. 1/4 of high-growth practices place primary emphasis on niche topics, compared to 11% for others. More high-growth practices, 26%, give retirement primary emphasis as well (compared to 19% of others).

By tactic, the key features typical in terms of producing and releasing written content are summarized in Figure 4.26. Similarly, Figure 4.27 highlights prominent characteristics for tactics related to audio or video content.

Figure 4.26. Written Content, Key Characteristics

	Book	Third-Party Articles	Blogging	Newsletters
Frequency	-	Quarterly	Monthly	Monthly
Length	150 Pages	750 Words	700 Words	800 Words
Production	8 Months to Write & Publish Produced In-House; Editing & Publishing Outsourced \$5,000 Paid for External Support	-	All Content Created In-House	All Content Created In-House
Typical Distribution or Supporting Tactics	Social Media	Social Media SEO	Email/Newsletter Social Media SEO	Email

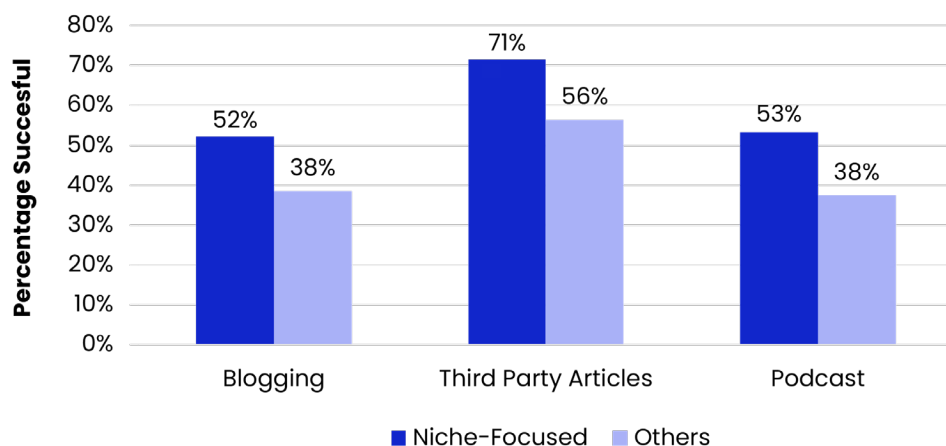
Several factors distinguish those advisors that are successfully attracting clients with content-related tactics. Most obvious is the role that supporting tactics play in boosting the ability of marketing content to win new clients. Depending upon the content generation tactic, deploying it in tandem with a supporting tactic typically increased the chances of success by 50% to 100%. Successful advisors tend to use SEO and social media to support their content, more than using newsletters. Though notably, SEO overall is more effective for written content (where there are actual words to index), than with video or podcast content (where search engines typically can't index the content itself, unless a separate indexable transcript is published).

Figure 4.27. Audio And Video Content, Key Characteristics

	Radio Show	Podcasts	Videos
Frequency (releases per year)	Weekly	Semi-Monthly	Semi-Monthly
Length (in minutes)	60	25	5
Production	Partially or Entirely Self-Sufficient Multiple Co-Hosts Pay for Airtime	Entirely Self-Sufficient Multiple Co-Hosts	Entirely Self-Sufficient
Platforms	AM Radio Streaming On Demand	-	YouTube LinkedIn Facebook
Platforms	Social Media	Social Media Newsletters	Social Media Newsletters SEO

Success with marketing content also correlates with being niche-focused. For blogging, third-party articles, and podcasts, success rates for niche-focused practices were about 15 percentage points higher than for other practices using the same tactics (Figure 4.28). Content generation tactics are especially well-suited for niche-focused practices. With specialized content tailored specifically for the niche prospect, these practices can more efficiently get in front of their target market to establish credibility and reinforce their unique expertise.

Figure 4.28. Content Success Rates, Niche-Focused Vs Others



Larger practices, with more resources to bear, also tend to be more successful with winning clients through content generation, where a centralized team can write the content (or at least marshal the expertise of the firm’s advisors to create it), and more effectively facilitate its distribution across multiple channels (e.g., SEO, social media, and email newsletter). Video production, however, is an exception, where smaller practices more frequently have an edge. This is likely because video content tends to feature a particular person (the advisor) as the center of the content, which is especially conducive to the solo practice (and more challenging in multi-advisor practices that may debate about which advisor to feature in video).

In terms of the production and release of content, more frequent (and regular) distribution of marketing content, not surprisingly, greatly improves an advisor’s chances of winning over new clients. Those successful with writing for third-party platforms, publish 8 articles/year, compared to the typical unsuccessful advisors that are releasing just 1 in a year. When a successful advisor does release content, chances are greater that more than 1 form of distribution is used, typically both email and social media.

The extent to which content is generated in-house or outsourced is notable for a lack of distinction in determining success in attracting new clients. No clear trend is evident one way or another, suggesting there may be advantages to handling content either way. While in-house production can ensure that the resulting content is a more accurate reflection of the practice, relying on outsourced support specialists can improve the quality of the content released, and make it easier to release content more frequently (where the greater frequency more than makes up for the ‘canned’ nature of the content).

Newsletters are an outlier among content creation tactics, in that they tend to play more of a supporting role for other tactics as opposed to directly designed to lure in new prospects. Just 22% of practices use newsletters as an independent marketing tactic. In comparison, more than half of all advisors that publish newsletters (51%) use them to encourage referrals, either through clients or centers of influence. Newsletters, via email, are also an important distribution vehicle for promoting other educational content for marketing purposes. This is especially the case for blogging, where over 1/3 of blogging practices deploy this content with the support of a newsletter.

For advisors interested in adding content generation to their marketing toolkit, Figure 4.29 summarizes key considerations.

Figure 4.29. Assessing Fit – Content Creation

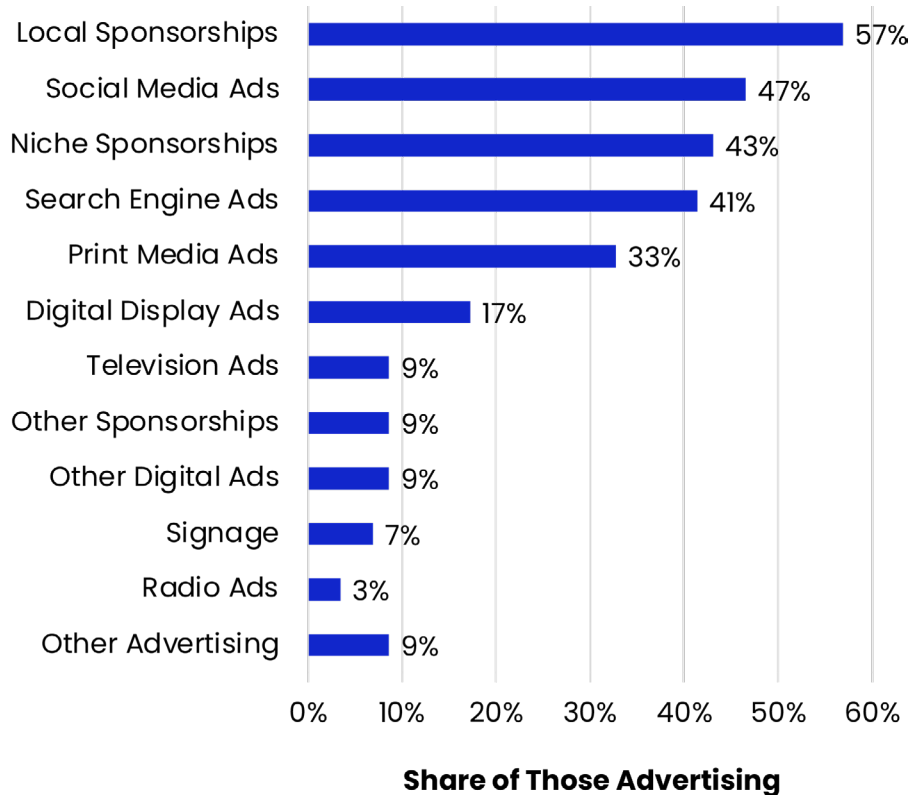
Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Effective means for emphasizing the expertise of the practice, particularly with niche audiences • Inbound tactic for those averse to overly 'salesy' outbound approaches • Many content creation tactics correlate with high-growth practices due to their scalable reach 	<ul style="list-style-type: none"> • Often lacks an immediate payoff (but success rates improve significantly with the use of support tactics) • Can be time intensive for advisors, and compromise the sustainability of the practice

Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Niche-focused practices looking to reinforce their niche expertise • Practices that lack a strong outbound sales culture and prefer inbound growth • Practices that view content generation as one component of a long-term marketing plan 	<ul style="list-style-type: none"> • Practices with limited time capacity or inclination to create content • Practices unwilling to adhere to a frequent and regular content release schedule • Startup practices in need of a quick growth stimulus

Advertising

In recent years, the ways in which a business can advertise its services and promote its brand have expanded in many new directions. This is especially true within the digital arena given the rise of social media, search, and other forms of digital advertising (Figure 4.30). Despite the increasing opportunities, advertising (including sponsorships) remains a relatively minor marketing tactic for advisory practices, as has been the case for the past several years. With overall usage at 13%, these tactics rank above only cold prospecting and paid solicitors in popularity.

Figure 4.30. Specific Types Of Advertising Used



While advertising may have its merits in terms of establishing and maintaining the brand of the practice, it is a below-average tactic in terms of its ability to successfully land new clients. The lack of popularity for advertising is also consistent with advisor overall satisfaction, which ranks dead last among other tactical groups (it is also equally weak in terms of satisfaction with quality and quantity of leads).

When new clients are attracted through advertising, though, revenue is above average. Yet even when combined with relatively low acquisition costs of upfront hard dollars and only minimal advisor time, the higher revenue per client attracted cannot offset the impact of a low success rate, which results in below average marketing efficiency. (Important to note, though, is that additional soft dollars invested in advertising in the form of more planning, management, and monitoring, might well improve the tactic's efficiency over time. Hard dollars going to advertising can easily go to waste without clear messaging that is consistent with the growth strategy of the practice and ongoing oversight of advertising effectiveness.)

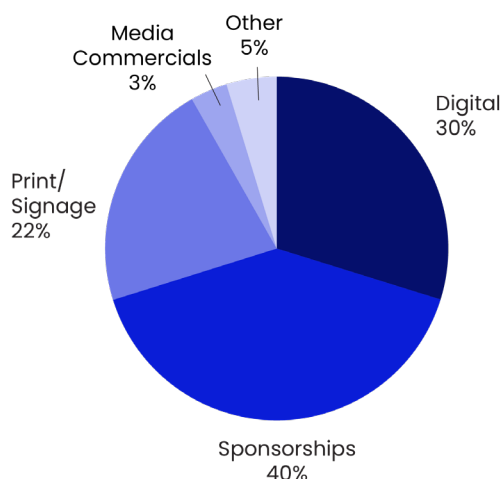
In terms of hard dollars, Figure 4.31 shows the allocation of advisor advertising spending across the 5 major advertising groups. While the pie chart illustrates where advisors are collectively dedicating the most (or least) of their advertising dollars, it is not, however, representative of the typical advisor, who tends to focus spending on just a subset of these 5 groups. Nearly half of advertising advisors (47%) concentrate the majority of their spending within only 1 of these groups.

The largest spending share across all practices, 40%, went toward sponsorships. Sponsorships are more of a "top-of-the-funnel" type marketing investment largely intended to build awareness with pros-

pects. Of the advisors who advertise, 63%, did so with some form of sponsorship, with 23% allocating a majority of their advertising hard dollars to sponsorships. Among the advisors who indicated sponsorships, 79% provided sponsorships related to the local communities they served; 60% provided sponsorships related to niche markets served.

Another 30% of overall ad expenditures goes toward digital marketing, which because of its ability to better target and engage with prospects, is more aligned with the middle or even bottom tiers of the marketing funnel that center on activities that gain the trust of prospects and ultimately win their business. About half of all advisors that advertise (51%) used some form of digital marketing, with 15% committing a majority of their hard-dollar advertising budget to digital tactics.

Figure 4.31. Distribution Of Advertising Expenditures By Category



Indeed, a digital association is consistent with what we find when examining the characteristics of those advisors that have successfully won clients through advertising. On average they dedicate 37% of their advertising budget to digital ads, compared to unsuccessful advisors allocating just 13%. It is also not likely a coincidence that the successful advisor, with a greater propensity to use more targeted digital advertising, is also far more likely to be niche-focused. Of those practices winning clients through advertising, 58% were niche-focused compared to just 8% of unsuccessful practices.

Both successful and unsuccessful advisors spend about the same budget share on sponsorships, but successful advisors allocate a much lower share to print ads and signage, another top-of-funnel activity (8% allocated by those successful versus 19% for unsuccessful advisors) While this implies that print ads and signage are less effective at winning new clients, worth noting are the challenges to directly tie and measure new business won from this kind of advertising. As a result, this underperformance may be overstated.

More spending on advertising overall does correlate with success, though – those advisors winning clients via advertising typically spent \$25,000, 1/3 more than unsuccessful advisors. This outspending occurred despite the successful advisor being a much smaller practice in terms of revenue (\$1.3 million versus \$3.4 million).

Figure 4.32. Assessing Fit – Advertising and Sponsorships

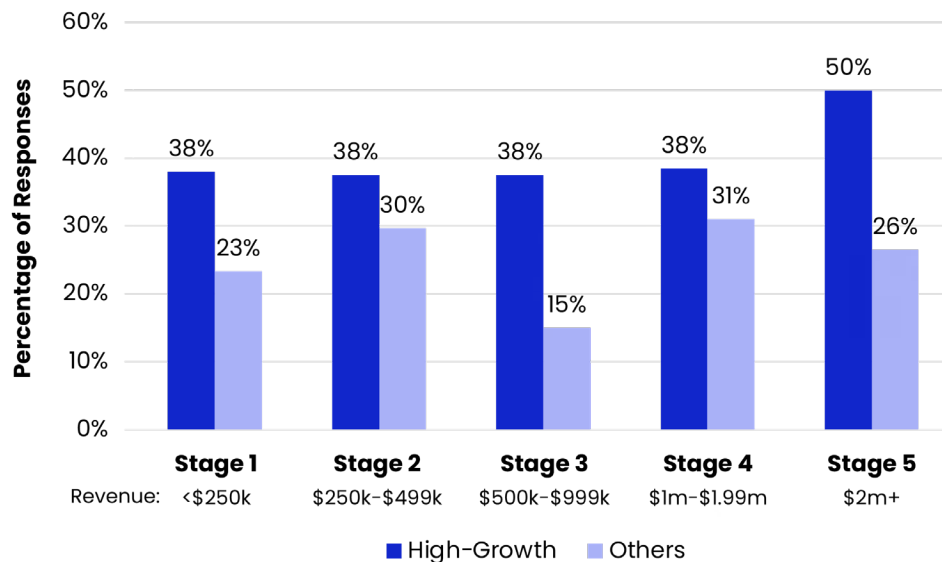
Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> Ability to speak to a very specific audience, especially with digital Scalable, with minimal advisor time required assuming access to either internal or external marketing support 	<ul style="list-style-type: none"> Not as effective for directly facilitating client acquisition Requires significant hard-dollar outlay
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> Startup practice interested in quickly establishing its brand with dollars to spend to do so Niche practices interested in reaching very specific audiences Established resource-abundant practices applying advertising as supplementary marketing 	<ul style="list-style-type: none"> Practices with limited marketing budgets Practices who lack clarity in terms of the “brand story” they wish to tell and target market they wish to tell to

Search Engine Optimization

Search engine optimization (SEO) relates to the process of adjusting online content, including wording and other attributes, in a way that it is more favorably indexed by search engines. Often more than a tactic that directly generates new business, SEO is most typically used to support and direct attention to other tactics. This is especially true for SEO's role in funneling prospects to an advisor's marketing content, though SEO is also popular for supporting referral generation.

SEO is deployed by 30% of advisors overall, but just 17% use SEO completely independent of other tactics. High-growth practices, at every development stage, are particularly apt to apply search engine optimization (Figure 4.33), and those that do have an even greater tendency to use SEO in a supporting role relative to other users.

Figure 4.33. SEO Use, High-Growth Vs Others



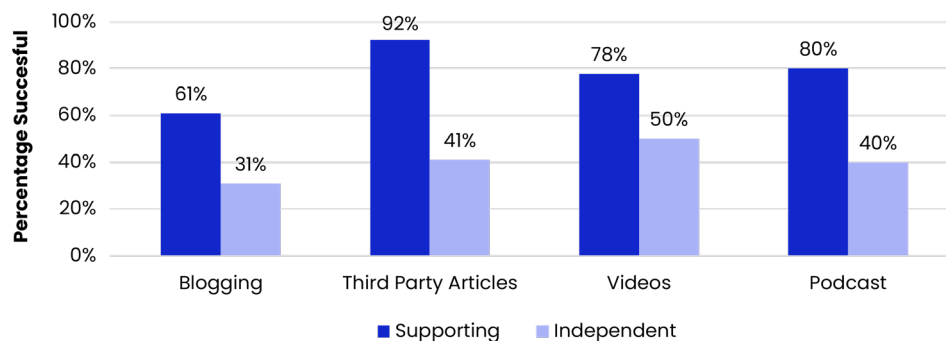
Note: Excludes mature practices

The average rating on overall satisfaction for SEO, at 5.0, is reasonably good, at least relative to other advisor marketing tactics. Ratings for lead quantity (4.6) and lead quality (4.8) both fall below the overall average, however, implying that the perceived value of SEO extends beyond just generating leads.

When SEO is used independently as a direct marketing tactic, its success rate at 47% ranks among the bottom 3rd of all tactics. Revenue per client attracted is above average, but high acquisition costs, in combination with low success rates, result in sub-par marketing efficiency. Important to note is that SEO costs can decline markedly over time and so the current high cost may just reflect advisors only recently implementing optimization. Once an initial investment is made in adjusting the practice website and its content around certain keywords or a particular target clientele, the ongoing cost for maintaining search engine optimization is typically a minimal one.

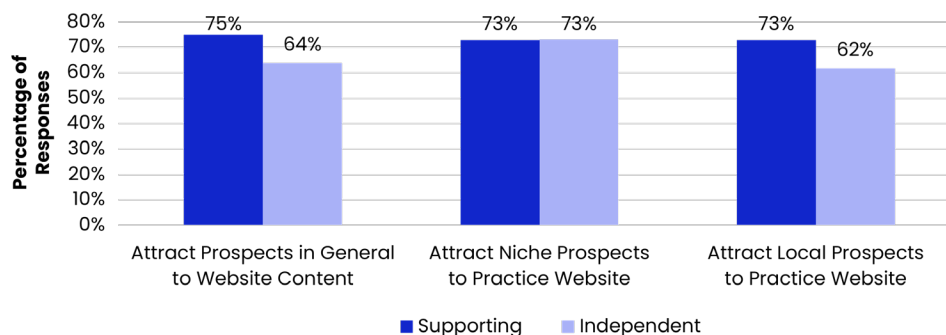
The real value, though, of SEO (as well as other supporting tactics like social media and newsletters) is the ability of the tactic to amplify the results of other tactics. Figure 4.34 offers a powerful argument for this amplification effect as it relates to SEO supporting some widely used content-related tactics. Advisors typically double their chances of successfully winning new clients when using SEO to better direct prospects to their marketing content.

Figure 4.34. Success Rates With And Without SEO



Whether or not in a supporting role, across all advisors applying SEO most had a similar view regarding their key objectives, with 73% aiming to attract any type of prospect to their website content in general and an equal 73% share wanting specifically to attract prospects interested in their specialized or niche services. Not far behind the other objective, nearly 2/3 of SEO users aimed to attract local area prospects to the practice web site (Figure 4.35).

Figure 4.35. Key SEO Objectives



When used independently, there is evidence that success in winning new business with SEO, to some extent, may be a function of the optimization process. Advisors who were successful in directly attracting clients via SEO placed much greater emphasis on optimization for making their websites more readily findable for local prospects.

About 3/4 of these successful advisors (76%) cited this as a key objective. For all other advisors using SEO, this share was just 56%.

Other general characteristics of all SEO users included a tendency to work with younger, but wealthier, clients. Niche-focused firms were also more likely to deploy optimization. Of those niche-focused, 39% used SEO compared to just 24% of advisors not dedicated to a niche. The greater use by niche-focused firms is consistent with the ability of SEO to identify and direct very specific profiled users to an advisor’s website or marketing content. Further summary of the advantages of search engine optimization is provided in Figure 4.36.

Figure 4.36. Assessing Fit – Search Engine Optimization

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> Potential low cost, once initial investment is made Requires minimal investment of advisor time Scalable as the practice grows local visibility or (niche) content library Can significantly boost performance of other tactics, particularly those that are content-related 	<ul style="list-style-type: none"> Not typically an effective standalone tactic, unless optimizing for a local market Standalone success would require that practice website is capable of converting visitors into leads
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> Niche-focused practices seeking to attract very specific prospect types Practices with limited soft-dollar resources Practices that are comfortable creating content and want to make it more findable to amplify results 	<ul style="list-style-type: none"> Practices lacking an effective website or compelling content Practices that don’t have a clear target clientele to attract (and optimize towards)

Learning From High-Growth Practices

5

A tremendous amount of information related to how financial advisors are marketing their services, including the usage and performance of specific marketing tactics, is presented in this report. What other advisors in general are doing, and how well they are doing it, is valuable from the perspective of helping individual advisors benchmark their own marketing performance and identify areas that need attention in order to improve.

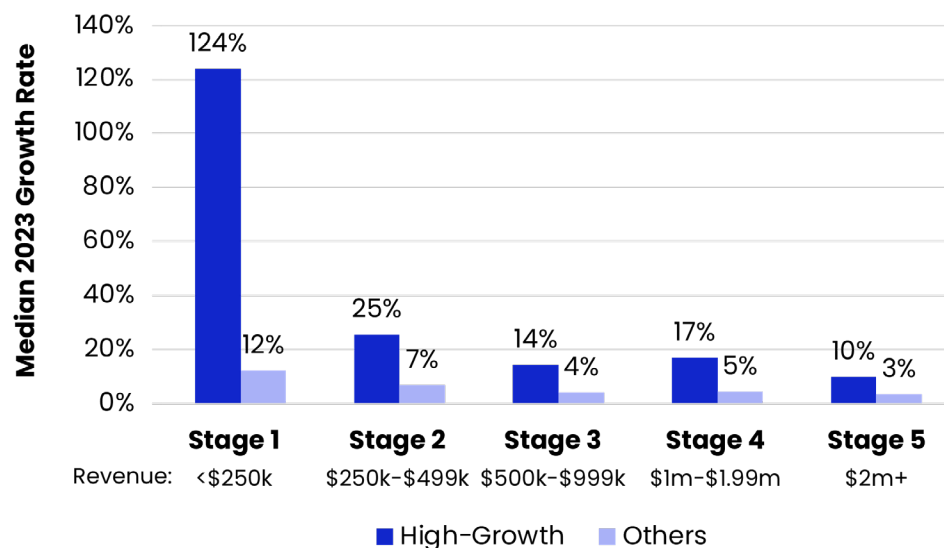
Beyond benchmarking, though, there is more insight our survey data reveals in terms of how to best craft a marketing strategy that will deliver sustainable growth. This includes identifying the common themes across high-growth practices, and then adjusting emphasis of these themes based on the characteristics, desires, and needs of the specific advisor.

As noted, high-growth practices are distinguished within each of our 5 stages as being among the top 3rd within each revenue band in terms of 2023 organic new client revenue growth. By separating the high growers within each development stage, rather than across all respondents, a more revealing picture emerges regarding how marketing best drives growth as a practice evolves. This includes the best approaches relevant to any size practice, as well as methods more appropriate for a particular stage of practice development.

By definition, high-growth practices grow more rapidly. What is noteworthy, however, is the extent to which they outperform their much slower-growing peers (Figure 5.1). High-growth practices are increasing new client organic revenue at a rate of at least 3X greater than others at every stage, with high-growers at Stage 1 especially out-performing their peers. Our 2022 marketing study found similar differences in out-performance. Though notably, these results also signal that amongst the other 2/3 of advisory practices, net growth before market returns is likely flat or even slightly negative. The gross

rates of growth for organic new client revenue, at only 3%–5% for Stage 3, 4, and 5 practices, for most would be almost or fully offset even with just 1%–3% client attrition, plus another 1%–3% of net withdrawals typically from retired clients.

Figure 5.1. Organic New Client Revenue Growth, High-Growth Vs Others



Note: Excludes mature practices

What exactly is it that distinguishes a high-growth practice, though? Certain commonalities are shared across all development stages. One correlation for high-growth practices is their commitment to professional excellence, advisors with high-growth practices are more apt to have key certifications such as CFP, ChFC, CFA, or specialized degrees in financial planning. This is especially true for smaller practices, under \$500,000 in revenue, where the advisor’s professional education and designations are one of their key credibility factors (as contrasted with larger practices, where the size and tenure of the practice itself can help support its credibility, beyond the designations of any one of their advisors in particular).

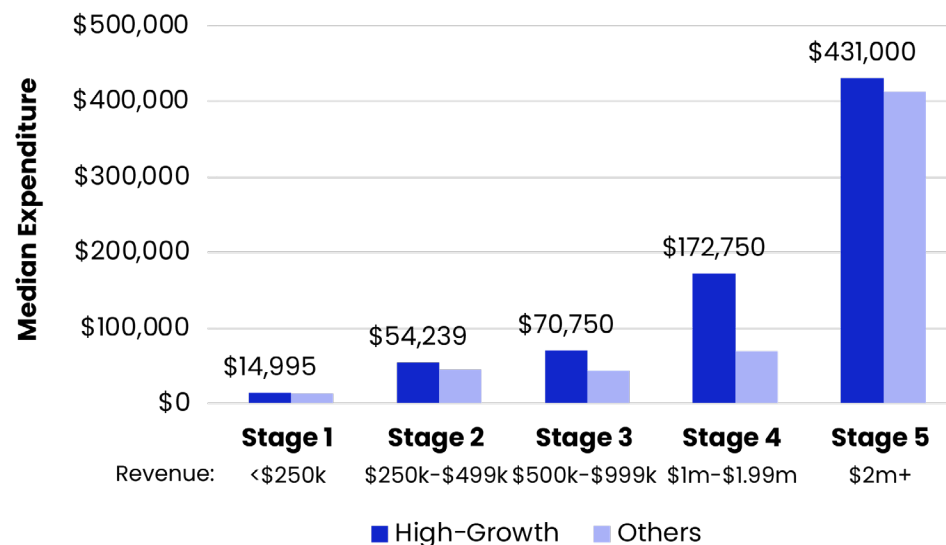
Consistent with a more deliberate approach to marketing, the high-growth practice is also far more likely to be niche-focused. While 45% of high growers predominantly target at least 1 niche, just 29% of other practices do. Turning to management oversight in general, all practices tend to lack a structured approach toward marketing, with “structured approach” defined as having a designated practice lead for marketing, a formal marketing plan, and the ability to track marketing-related investment in terms of both time and hard-dollar expenditures. That said, the 82% share of high-growth practices lacking this structure is not as high relative to the 89% share of other practices.

A more significant differentiator is that high-growth practices are simply placing more emphasis on marketing overall. This includes spending more on marketing, as well as investing more advisor time. At every development stage, high-growth spending on marketing, including both hard and soft dollars, outweighed peers (Figure 5.2), and across all stages in the aggregate, marketing expenditures for the typical high-growth practice were \$78,724, double the \$37,187 spent by peers.

The greater marketing spend is especially notable for high-growth practices at Stage 4, suggesting that when these practices hit \$2 million in revenue there is a critical mass of cash flow which they are choosing to reinvest to achieve “breakaway” growth. Indeed, for high-growth practices marketing expenditures as a share of revenue jumps from a median of 9.5% to 12.9% between Stages 3 and 4. For the others, the comparable revenue share *declines*, dropping from 5.4% to 4.5%.

High-growth practices are outspending in terms of hard dollars as well as soft dollars, but they lean toward a lower ratio of soft to hard dollar costs. In particular, advisor time makes up a lesser portion of overall marketing costs for high-growth practices. Across all high-growth practices, soft dollars contributed by advisors were 57% of marketing costs, significantly lower than the 67% median for other practices.

Figure 5.2. Total Marketing Costs, High-Growth Vs Others



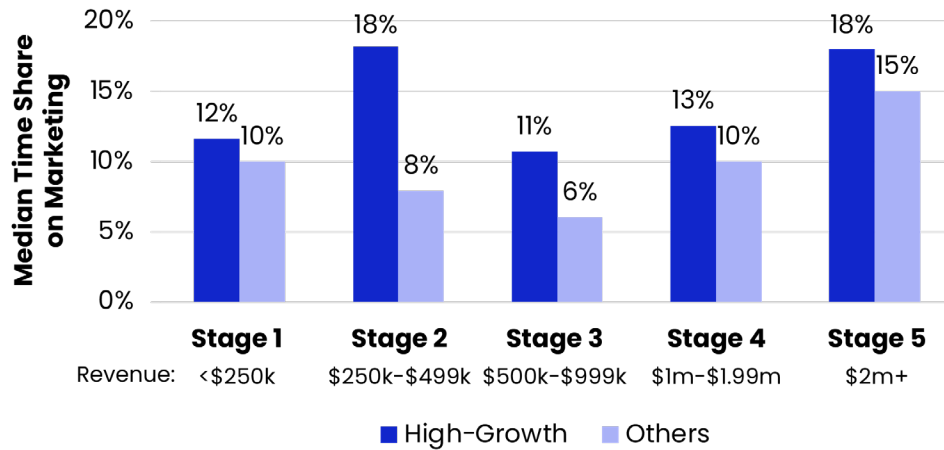
Note: Excludes mature practices

This is not due to high-growth advisors spending less time on marketing, however. In fact, the opposite is true – the typical high-growth advisor spends 15% of a work week doing marketing-related activities compared to just 10% for other advisors (Figure 5.3). High-growth practices minimize advisor marketing soft dollars, though, due to high-growth advisors drawing less from their practices in compensation. Depending upon the practice stage, compensation per advisor in a high-growth practice is 6% to 40% less than their peers.

Consequently, the lesser amount that high-growth advisors take out of the practice in compensation affects their marketing in 2 important ways – it lowers the cost of advisor time committed to marketing, while freeing up more practice dollars to be devoted to hard-dollar marketing expenditures. This suggests that outperforming in terms of growth is not necessarily about reducing advisor time spent on marketing; instead, it’s about the practice allocating more hard-dollar

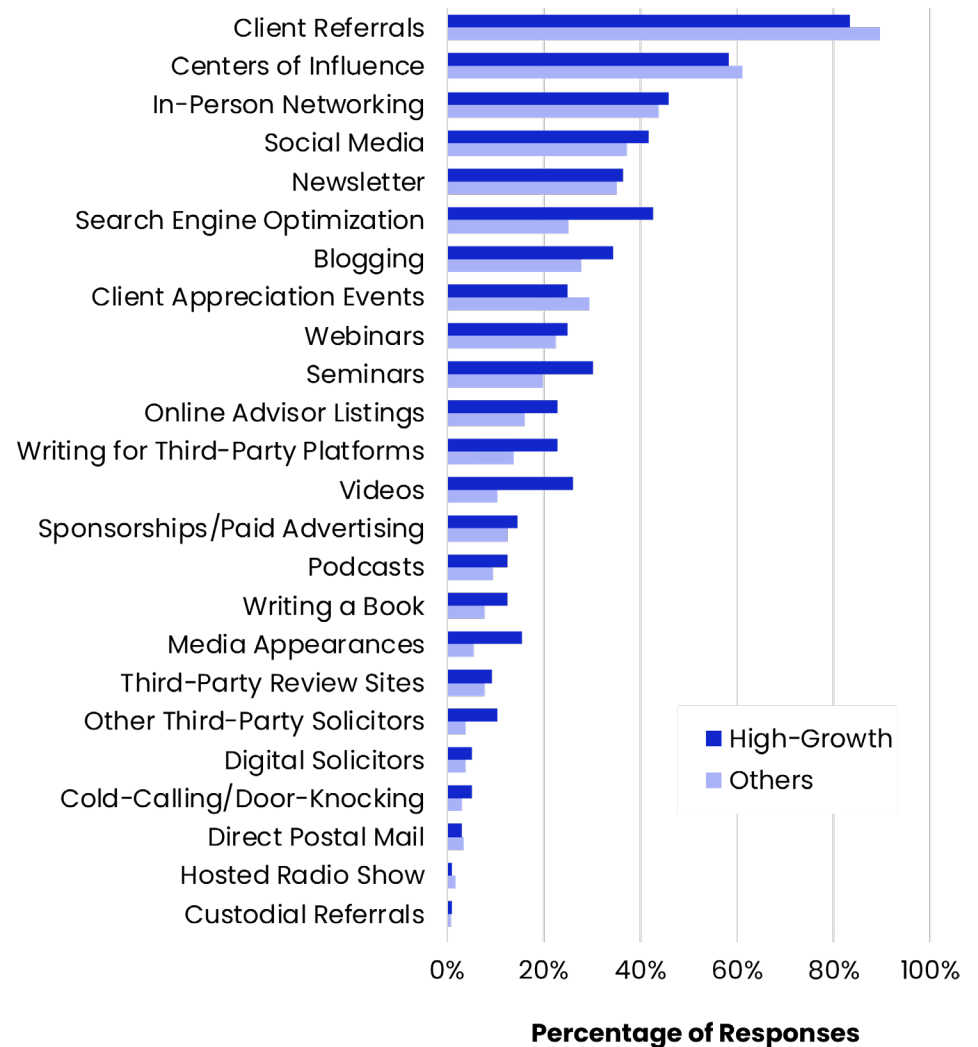
marketing support *along* with committing their advisor time. Further, the fastest-growing practices are simply the ones that are more effective at deploying their resources to generate actual marketing results, and more willing to sacrifice current income and profitability to reinvest for future growth.

Figure 5.3. Share Of Advisor Time On Marketing, High-Growth Vs Others



In fact, while high-growth practices tilt slightly toward deploying more marketing tactics, the most material distinctions are the specific tactics they choose, and especially the efficiency in terms of how these tactics are implemented. Among the tactical differences, high growers were slightly less apt to use traditional referral generation tactics, including both client referrals and relying on centers of influence (Figure 5.4). Instead, high-growth practices emphasized newer marketing tactics, particularly digital-based ones. High-growth practices were also likelier to use supporting tactics to amplify the results of their primary tactics. This was especially evident with search engine optimization, used by 43% of high growers, but by just 30% of others.

Figure 5.4. Marketing Tactic Usage, High-Growth Vs Others



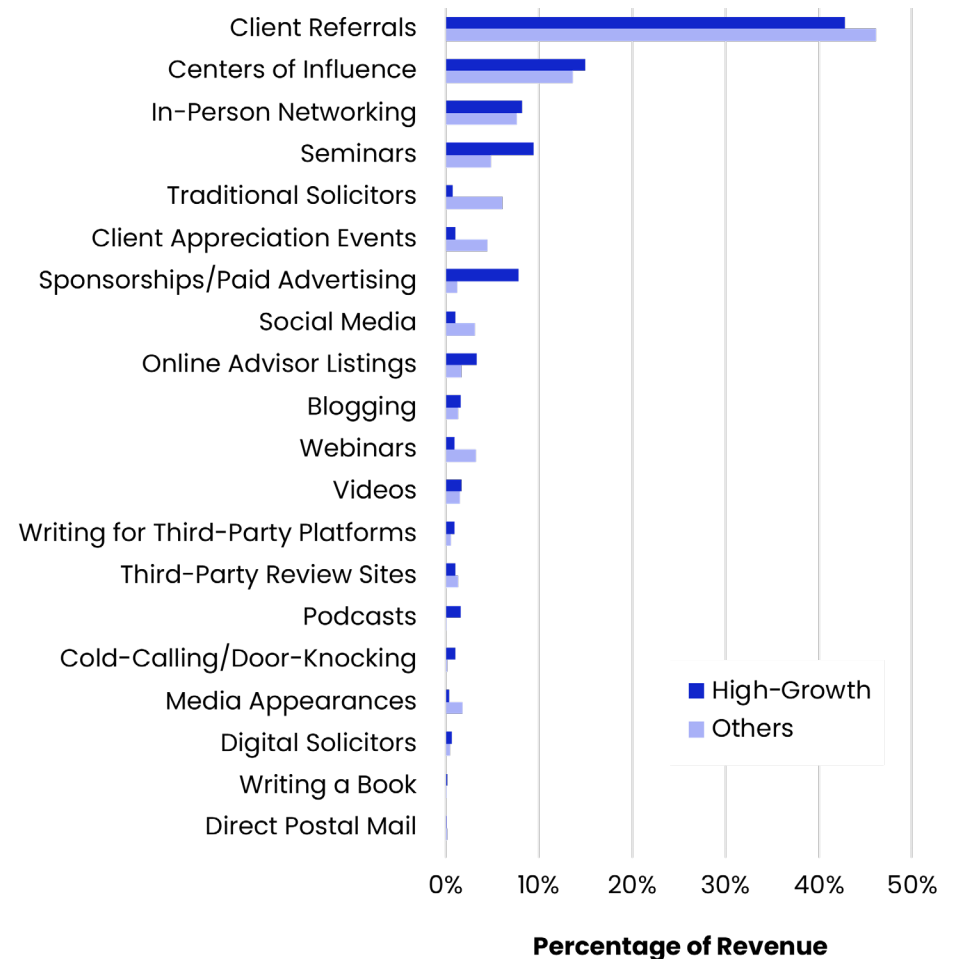
Note: Excludes mature practices

Consistent with greater use of supporting tactics is a greater tendency for high-growth practices to use primary marketing tactics that most benefit when combined with supporting tactics. These predominantly include content-related tactics such as videos, media appearances, and writing for third-party platforms. For example, while 26% of high growers deploy videos, just 10% of other practices do. Which means ultimately, high-growth practices weren't successful by engaging in "more" marketing tactics, per se, as much as they were successful in using more supporting tactics to amplify the results of relatively few "primary" tactics.

To better stimulate growth, high-growth practices also tend to work with paid solicitors. This is especially true for traditional solicitors, used by 10% of high growers but just 4% of others. Further, while high-growth practices have a greater preference for educational events in the form of webinars or seminars, they are less likely to host client appreciation events.

On the other hand, when growth is evaluated relative to the actual amount of new client revenue generated, different trends emerge between high-growth and other advisory practices (Figure 5.5). Most notably, high-growth practices do not generate materially more new revenue from their various digital and content marketing tactics, nor do high-growth practices generate more new revenue from solicitors. Which implies that high-growth practices don't appear to be growing faster *because* of these new marketing tactics; instead, high-growth practices appear to simply be more inclined to test and experiment with a wider range of marketing tactics (consistent with our overall findings that high-growth practices engage in more tactics than others).

Figure 5.5. Tactics By Average Share Of New Revenue, High-Growth Vs Others



Notes:

- Results exclude mature practices.
- "High-growth" revenue share estimates are based on less than 5 responses for digital solicitors, third-party review sites, direct postal mail, cold calling, books, and advertising.
- "High-growth" revenue share estimates are based on 5–9 responses for traditional solicitors, media appearances, podcasts, and social media.
- "Others" revenue share estimates are based on less than 5 responses for digital solicitors, third-party review sites, direct postal mail, cold calling, media appearances, and books.
- "Others" revenue share estimates are based on 5–9 responses for traditional solicitors, videos, podcasts, and advertising.
- Data unavailable for custodial referrals, hosted radio show, search engine optimization, and newsletters

Instead, the primary domains where high-growth practices are actually excelling and generating substantially more new client revenue than other practices, is their substantially greater use of seminar marketing (a highly repeatable and scalable marketing tactic once refined), and their use of advertising. In addition, high-growth practices are generating incrementally more new client revenue from centers of influence and in-person networking as well.

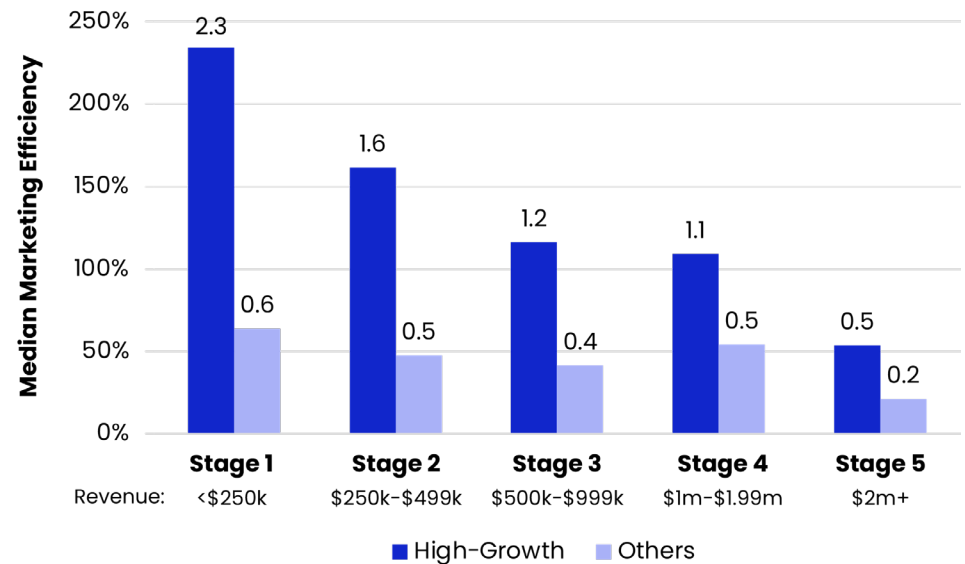
While the tactics that typically see greater usage remain fairly constant regardless of where the high-growth practice is in its development, there are a few important exceptions for smaller early-stage practices. The following 5 tactics are notably more prevalent for high-growth practices under \$500,000 in revenue:

- Centers of influence
- Traditional solicitors
- Online advisor listings
- In-person networking
- Social media

These tactics are more fitting for driving small-practice growth for several reasons. Many of these are more time-intensive, making them more cost-effective for a developing practice with lower-cost advisor time. With the exception of social media, these tactics, with high success rates at relatively low cost, also rank among the best in efficiency. As a result, they enable a developing practice to quickly ramp up growth with a minimal low-risk investment. Social media, along with COIs, directory listings, and in-person networking allow the young practice to quickly establish awareness and recognition. Centers of influence is the only 1 of these tactics that does not show greater use for larger high-growth practices.

A more progressive mix of tactics, in combination with a typically higher level of professional expertise and management discipline, pays off in terms of greater marketing efficiency for high-growth practices. Despite their greater marketing expenditures, high-growth practices at every development stage are marketing 2–3X more efficiently than their peers (Figure 5.6). In essence, high-growth practices allocate more dollars toward marketing, and the greater investment more than pays off in terms of a higher return in the form of new client revenue.

Figure 5.6. Practice-Wide Marketing Efficiency, High-Growth Vs Others



Note: Excludes mature practices

Tailoring The Right Marketing Approach For Your Practice

Is Marketing Even Relevant?

Identifying The Right Tactics



High-growth practices illuminate important over-arching (but general) insight for how a growth-minded practice can approach marketing. For marketing to truly succeed, however, the approach must be tailored to the unique characteristics of the advisor's specific practice. Among other distinctions, practices will obviously differ in terms of their appetites for growth, their stages of development, the interests of their stakeholders, and the dollars they make available for marketing. What might be the best approach for one, may be quite inappropriate for another.

Recognizing the need to adjust is particularly important when it comes to the size or development stage of a practice. As the practice grows, its capacity becomes more restricted, the cost of advisor time rises, and the focus of the practice shifts from attracting a greater quantity of clients to attracting better quality clients. As a result of the increasing size and maturity of practice, client acquisition costs grow, and marketing efficiency decreases.

All of these changes mandate an evolution in terms of how the practice approaches its marketing. For example, the rising cost of advisor time requires deploying either less time-intensive tactics or tactics that can be readily delegated to lower-paid staff. Capacity restrictions limit the need for high-growth tactics but heighten demand for tactics that can more precisely target prospects that are best for the practice to serve. Related, practice growth often means targeting higher revenue (i.e., more affluent) clients, which requires dedicating more marketing resources and typically a different composition of marketing tactics.

Is Marketing Even Relevant?

But as we also noted in our 2022 marketing study, the first marketing consideration is whether to engage in marketing efforts at all. Mature

practices comprised 8% of our study responses, but there is likely a greater share of them in reality (as advisors who consciously have stopped trying to add clients tend not to engage in marketing studies!). These older practices, attracting new clients at half the rate of others, have only limited needs for growth (typically only pursuing enough growth to replace any natural client attrition). Consequently, they have little appetite for proactive marketing, as long as their current client base is sufficient to sustain the business and their personal income goals.

Another segment of advisors may still have an interest in meaningful growth, but elect to pursue it in an inorganic way, with no marketing required. Growth through a merger or acquisition may be a viable option for many practices, as well as a benchmark for gauging the efficacy of pursuing marketing-driven organic growth. Overall, 9% of practices acquired clients inorganically in 2023, with much of this activity concentrated among larger practices. Among practices of \$2 million or more in revenue, 17% were involved in M&A.

Marketing efficiency can serve as an effective yardstick in determining whether inorganic growth is more viable for a practice. Current marketing efficiency at 0.6 for the typical practice, translates to \$0.60 in new client revenue being generated per each dollar of a marketing investment, which in turn equates to acquiring clients at 1.67X their revenue (\$1.00 / \$0.60). In comparison, the typical 2X-3X revenue cost for an RIA acquisition is actually still more expensive than organic marketing for the typical advisory practice, and drastically more expensive than client acquisition costs for high-growth practices (which typically spend \$0.75 per \$1 of new client revenue acquired).

In addition to lower efficiency for M&A, relative to growing organically, acquisitions come with greater risk as the transition costs of absorbing a new practice or book of business can be notoriously difficult to

project. Costs related to merging new personnel, technology, and client accounts can vary widely. Given that acquired clients likely did not choose on their own to come to the new firm, defection risk adds to this uncertainty.

As a result of all these factors, the choice of inorganic over organic growth will depend upon the marketing efficiency of the practice, as well its comfort level and ability to assume additional risk. The fact that larger firms are more actively initiating acquisitions is not a coincidence. As we've previously noted, marketing efficiency is often lower for bigger firms, and more likely to be at a level that makes an acquisition a more competitive growth alternative. Further, larger practices have the scale and level of resources that can better insulate them against the risk of a deal going bad.

Identifying The Right Tactics

Assuming the choice is to emphasize organic growth, Figure 6.1 (above) offers guidance for customizing an appropriate mix of tactics to fit the unique characteristics of a particular practice. Listed are the most used and most effective marketing tactics across our survey data. Tactics with an "X" in the "Multi-Purpose" column are the most versatile. They are failsafe tactics that are all-weather in the sense that they are optimal for a variety of practice types and growth strategies.

Other tactics, as highlighted in the chart, are most applicable based on the size of the practice in terms of annual revenues. Figure 6.1 also makes note of tactics most-used or most effective with high-growth practices as previously discussed. Tactics particularly suited for targeting very specific market segments are noted under "Niche-Focused".

More scalable tactics, highlighted as well, require the least investment in advisor time. While time-intensive tactics may be effective for smaller early-stage practices, they are less appropriate for sustaining growth over the long run, given the rising cost of advisor time as a practice grows.

Lastly, Figure 6.1 also notes "Low Cost, High Efficiency" tactics. These tactics will typically be more attractive to smaller practices with limited resources. They may also be preferred by practices with a more moderate appetite for growth. That is, they are looking to grow but unwilling to make a significant investment to do so.

Budget will obviously be among the more important considerations for any practice in the midst of building or revising its marketing strategy. With that in mind, Figure 6.2 offers further guidance on appropriate tactics from a resourcing perspective. 3 examples of possible tactical combinations are offered, based on the size of the practice and the hard dollars the advisor is willing to commit, given that available dollars to reinvest into marketing vary by the size of the practice (making some tactics more or less accessible) and practices of varying size need tactics that can 'move the needle' at their size (which matters in light of the fact that some marketing tactics are more scalable than others).

Again, however, the exact composition of tactics advisors choose will (and should) vary based on their personal preferences and the other unique characteristics of their practices. Estimates represent an annual investment and are based on survey responses for practices reporting success with the tactic. In addition to approximate hard-dollar costs, expected ranges for advisor hours needed are included as well.

Figure 6.1. Best Marketing Tactics By Function

Tactics	Multi-Purpose	Size Best Suited For:		High-Growth Aspirations	Niche-Focus	Low Advisor Commitment (Scalability)	Lost Cost/High Efficiency
		<\$500k	750k+				
Client Referrals			X				X
Centers of Influence	X	X			X		X
Digital Solicitors		X		X			
Other Third-Party Solicitors	X			X		X	
Online Advisor Listings		X				X	X
Third-Party Review Sites			X			X	
Webinars			X		X		
Seminars			X	X	X		
Client Appreciation Events			X			X	
In-Person Networking		X					X
Social Media	X				X		
Writing a Book							
Writing for Third-Party Platforms				X			X
Blogging	X				X		
Newsletter	X						
Podcasts					X		X
Videos				X	X		
Sponsorships/Paid Advertising	X				X	X	
Media Appearances			X	X			
Search Engine Optimization	X		X	X	X	X	

Figure 6.2. Example Marketing Tactics By Budget

Practice with \$250,000 in Annual Revenue, Little or No Additional Marketing Budget
Baseline Tactics Typically Already In Place:

Client Referrals, Centers of Influence

Additional Tactics	Hard-Dollar Cost	Advisor Hours
<ul style="list-style-type: none"> • Online Advisor Directory Listings – list in all major directories that the practice is eligible for (e.g. Board’s “Find a Professional, NAPFA, or Fee-Only Network). 	\$0-\$1,000	1-5 Hours/Year
<ul style="list-style-type: none"> • In-Person Networking – participate in at least 2 networking events/month. 	\$250-\$2,500	2-4 Hours/Month
<ul style="list-style-type: none"> • SEO – optimize the practice web site for prospects searching for a local advisor. 	\$200-\$5,000	2-4 Hours/Month

Practice with \$1 Million in Annual Revenue, \$10,000 Additional Marketing Budget
Baseline Tactics Typically Already In Place:

Client Referrals, Centers of Influence, Online Directory Listings

Additional Tactics	Hard-Dollar Cost	Advisor Hours
<ul style="list-style-type: none"> • In-Person Networking – participate in at least two networking events per month. 	\$250-\$2,500	2-4 Hours/Month
<ul style="list-style-type: none"> • Content Generation – release monthly at minimum with specific type either written (blog posts or third-party article) or spoken (podcasts or videos) depending upon advisor preference. 	\$500-\$5,000	1-5 Hours/Week
<ul style="list-style-type: none"> • SEO – optimize the practice web site for prospects searching for a local advisor as well as optimize to make practice content for findable. 	\$500-\$6,000	2-4 Hours/Month
<ul style="list-style-type: none"> • Third-Party Review Sites – actively engage with online review platforms and encourage client participation. 	\$0-\$500	1-4 Hours/Month

Practice with \$3 Million in Annual Revenue, \$50,000 Additional Marketing Budget
Baseline Tactics Typically Already In Place:

Client Referrals, Centers of Influence, Online Directory Listings, In-Person Networking

Additional Tactics	Hard-Dollar Cost	Advisor Hours
<ul style="list-style-type: none"> • Educational Seminars – host events quarterly at minimum, with coordinated promotion through multiple to channels maximize attendance. 	\$10,000-\$30,000	4-8 Hours/Month 0.5-5 Hours/Week
<ul style="list-style-type: none"> • Digital Solicitors – pay for leads through platforms such as Zoe Financial or SmartAsset. 	\$5,000-\$45,000	
<ul style="list-style-type: none"> • Integrated Content Generation – regularly release marketing content (at least 2X monthly) with promotion coordinated through SEO and social media. 	\$5,000-\$25,000	1-6 Hours/Week
<ul style="list-style-type: none"> • Marketing Support – hire or contract for part-time support to help with implementation and coordination. 	\$20,000-\$30,000	1-2 Hours/Week

Summary

7

Summary

Marketing has been a long-standing challenge for advisors. The task of competing for, and winning, new clients is becoming only more difficult. The pool of prospects that advisors traditionally rely on is shrinking as it gets harder to differentiate in a growing crowd of competing providers. As a result, the urgency is increasing for advisors to rethink and revamp their marketing strategies. A new marketing approach is required.

A first priority for advisors is to make marketing a critical operational component within the practice. Marketing can no longer be considered an optional function that is given attention only when time allows – it is a vital ongoing activity, requiring dedicated accountability and ample resourcing... and an acceptance that if firms want to grow, they have to invest for growth, at a cost of current income or profits to the owners.

However, while committing more dollars (both hard and soft) to marketing does correlate with more robust growth, high-growth practices are also spending their marketing dollars more efficiently. The key to their outperformance is in the combination of tactics they deploy, and their flexibility in adapting these tactics as the practices evolves.

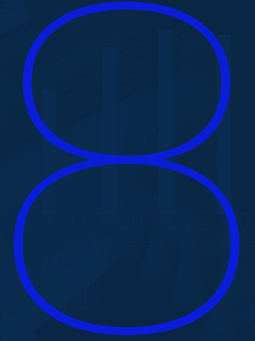
In terms of specific marketing tactics, tomorrow's most successful advisors will work with a toolbox that extends beyond traditional, but time intensive, tactics like referral generation and in-person networking. In addition, they will use supporting tactics, including social media and SEO, to amplify and leverage the impact of their independent tactics.

A final key ingredient of the required new marketing approach is a recognition that there is no “one size fits all” solution. The most effective advisors will tailor their marketing strategies according to the unique characteristics of their practices. This includes accounting for the preferences of practice stakeholders and, most importantly, recognizing where the practice is in its development to ensure that marketing tactics can scale with growth. Further, this customization of strategy is not “set it and forget it” but dynamic and ongoing.

In conclusion, advisory practices are clearly entering into a tougher environment for sustaining growth, where the importance of marketing for ensuring their success can no longer be overlooked. Ample opportunities for achieving growth continue to exist, however, for those advisors who possess the courage and ambition to rethink and reinvest in their marketing capabilities.

Appendix A

Study Terms



Study Terms

Practices & Teams	Description
Practice	Any entity for which there is a common business vision, budget, client base, and service standard. Across the entity, resources and profits are pooled. A practice could be an entire firm or an individual or team of individuals affiliated with a larger firm. Affiliations, for example, could include a broker-dealer, an independent RIA, or a platform service provider. Study participants represented their practices as either a firm, team, silo or solo but no combination of these.
High-Growth	A practice that is among the top 3rd in its development stage (excluding mature practices that are no longer actively marketing) based on 2023 new client organic revenue as a percentage of the practice's total revenue the prior year. High-growth is defined within each stage except for Stages 5 and 6, which were combined for the purposes of distinguishing a large-practice high growth segment with sufficient sample size.
Mature	A practice that may still accept a few new inbound clients but is not actively seeking growth.
Niche-Focused	A practice that caters to up to 3 niche markets, with more than 3/4 of new clients joining the practice in the last year fitting a niche profile.

Development Stage	Description
Stage 1	Annual practice revenue of less than \$250,000
Stage 2	Annual practice revenue between \$250,000–\$499,999
Stage 3	Annual practice revenue between \$500,000–\$999,999
Stage 4	Annual practice revenue between \$1M–\$1.99M

Development Stage	Description
Stage 5	Annual practice revenue between \$2M–\$4.99M
Stage 6	Annual practice revenue of \$5M or more

Marketing Metrics	Description
Advisor Satisfaction	A 1–10 scale, with “10” representing highest satisfaction with a particular tactic or provider.
Advisor Time Share	Share of a tactic’s marketing cost attributable to advisor time.
Client Acquisition Cost, Practice-Wide	Total marketing expenditures across the practice in a given year divided by the number of new clients marketing attracted to the practice in the same year. New clients exclude clients that may have joined the practice due to acquisition or merger.
Client Acquisition Cost By Tactic	Total marketing expenditures on the tactic in a given year divided by the number of new clients attracted to the practice via the tactic in the same year.
Efficiency, Practice-Wide	Total new client revenue attracted to the practice in a given year divided by marketing expenditures spent across the practice in the same year. Revenue or costs associated with a merger or acquisition are excluded.
Efficiency By Tactic	Total new client revenue attracted to the practice in a given year via the tactic divided by direct marketing expenditures on the tactic in the same year.
Hard-Dollar Marketing Expenditure	Ongoing costs or one-time outlays for vendors, supplies, software, travel, entertainment, or commission/referral payments that directly relate to supporting practice marketing or sales.
Marketing Expenditures, Total	Hard- and soft-dollar expenditures directly related to marketing activities.

Marketing Metrics	Description
Revenue Per Client	New client revenue attributable to a marketing tactic divided by the number of clients joining the practice as a result of the tactic.
Soft-Dollar Marketing Expenditure	Imputed cost of time on marketing activity based on estimated hourly compensation and reported hours worked on a marketing activity. The hourly rate for advisors or owners is “income-based”, meaning profits are included in addition to compensation. Soft-dollar costs may also include, if applicable, an apportioned cost of time for work done by a dedicated marketing employee.
Success Rate	Share of practices that reported at least 1 new client from a particular marketing tactic out of the total number of practices that reported using that tactic.
Supporting Tactic	Search engine optimization (SEO), drip marketing and social media are considered “supporting” in the sense that they often are used in conjunction with other tactics. In cases where they are primarily supporting other marketing tactics as opposed to acting in a “standalone” capacity, their reported costs and returns are blended in with the costs and returns of the other tactics they support.

Appendix B

Overview Of Figures



Introduction

Figure 1.1 Respondent Membership By Organization

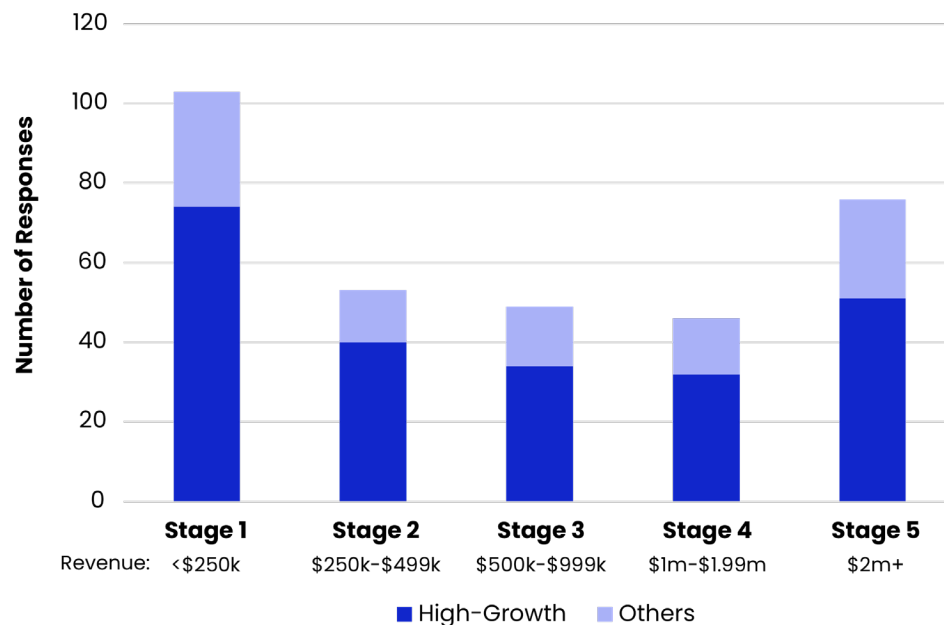
Organization	Share With Membership	Organization	Share With Membership
FPA	36%	AICPA	3%
NAPFA	31%	AGC	2%
XYPN	21%	NATP	2%
CFA	8%	Society of FSP	2%
EPC	7%	NAEPC	2%
IWI	5%	Garrett Planning Network	1%
FSI	4%	Other	7%
NAIFA	4%	None	26%
Kingdom Advisors	3%		

Figure 1.2 Summarizing Survey Respondents

Ranges represent 25th–75th percentiles unless noted otherwise.

Respondent Age	41–58 Years
Age of Respondent’s Practice	5–23 Years
Primary Industry Channel	71% Ind. RIAs
Service Team Size (including all advisors)	1–6 FTEs
Service Team Revenue	\$150,000–\$1.8M
Share of Revenue Dependent Upon AUM Fee	50%–98%
Clients Served by Team	37–300
Typical Investable Assets Per Client	\$500,000–\$1.5M
Share of Clients 60 Years or Older	30%–62%

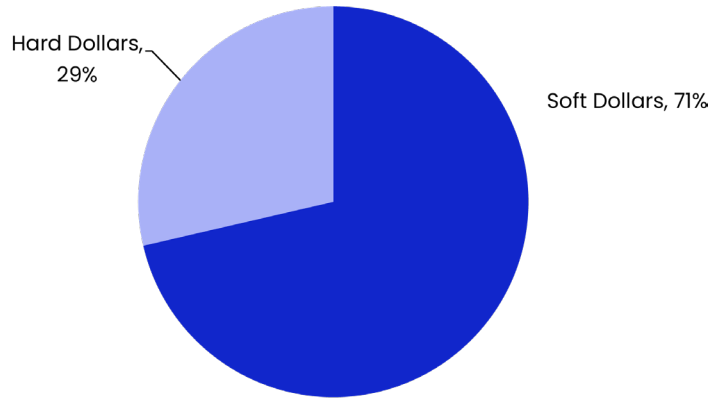
Figure 1.3 Distribution Of Responses By 2023 Revenue And Revenue Growth



Note: The graphic excludes 107 responding practices who either reported as “mature” or did not disclose 2022 revenue or 2023 new client organic revenue.

Overview Of Advisor Marketing Effectiveness

Figure 2.1 Marketing Costs, Hard Vs Soft Dollars



\$41,129, Equating to 11% of Revenue

Figure 2.2 Marketing Characteristics Of \$2M+ Practices, With And Without Marketing Staff

Figures are medians.

	With Dedicated Staff	No Dedicated Staff
Total Marketing Tactic Used	8	5
Marketing Spend as a % of Revenue	13%	8%
Share of Time Advisors Spend Marketing	20%	10%
Client Acquisition Cost	\$12,501	\$6,361
Marketing Efficiency	0.5	0.3
Annual Growth in Organic New Client Revenue	6.2%	4.5%

Figure 2.3 Revenue Share Of Marketing Cost By Practice Size

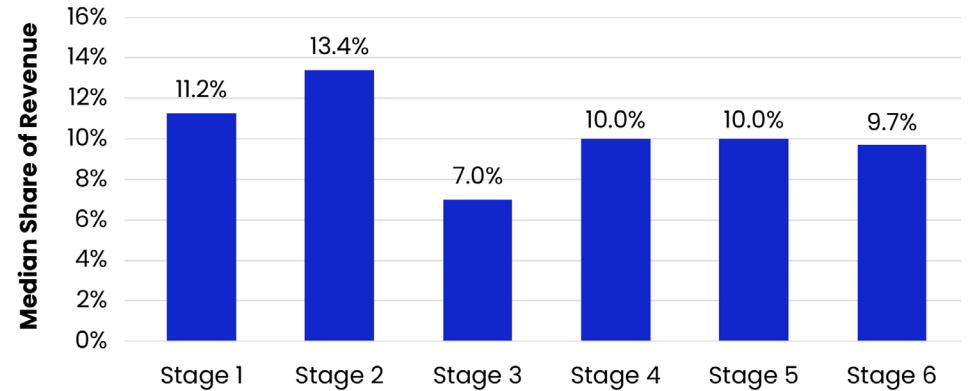
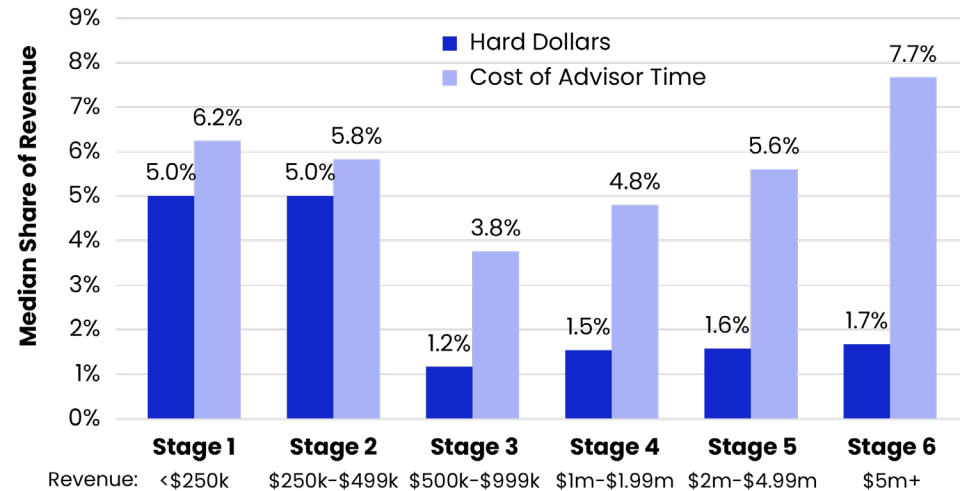
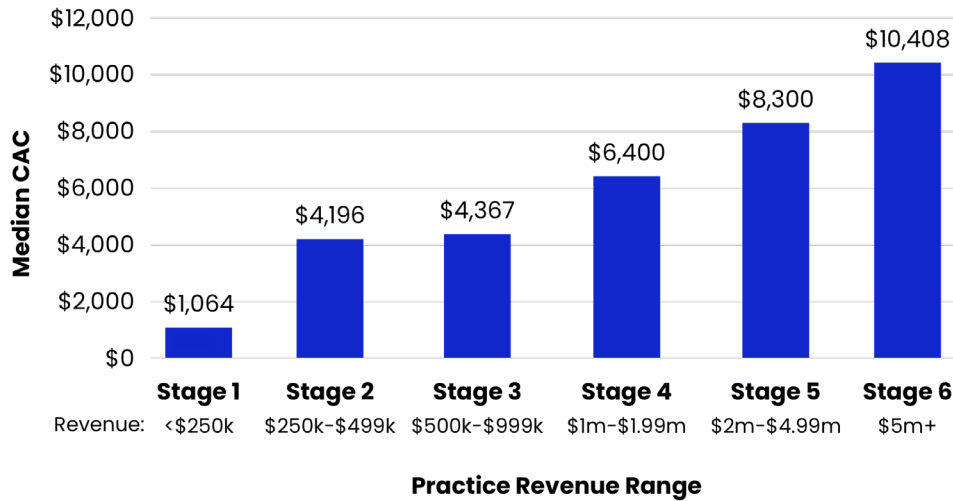


Figure 2.4. Hard Dollars And Advisor Time Costs As A Share Of Revenue By Practice Size



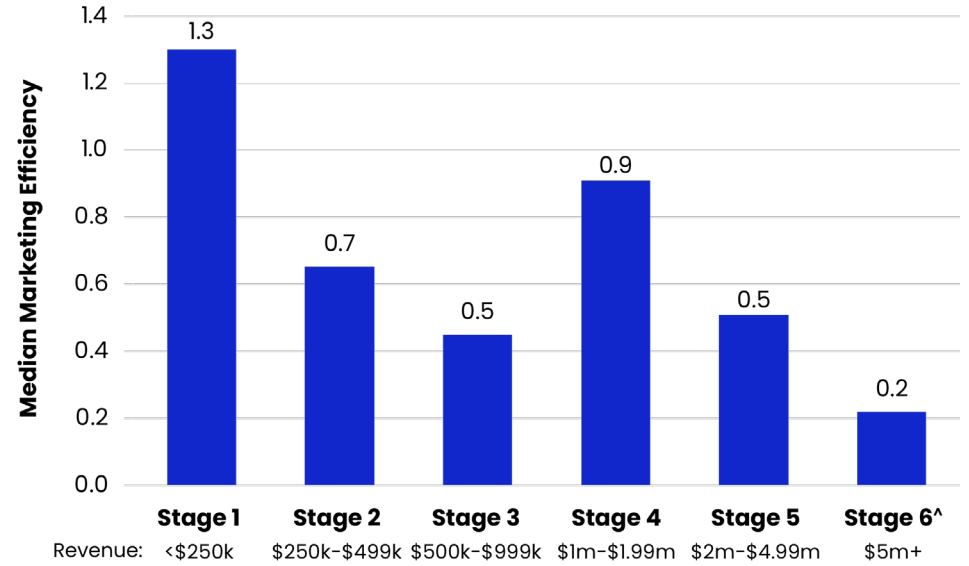
Overview Of Advisor Marketing Effectiveness

Figure 2.5. Client Acquisition Cost By Practice Size



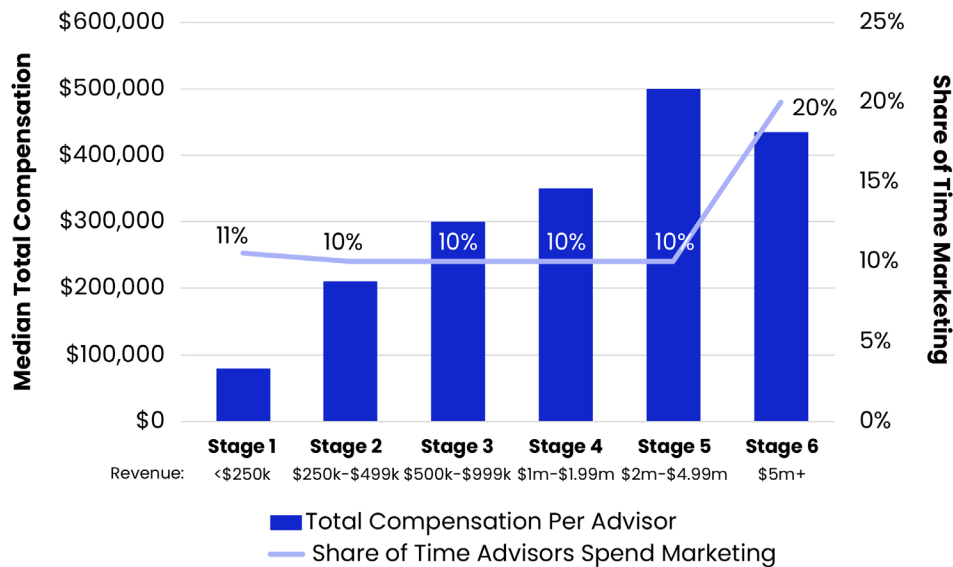
Note: Stage 6 represents a sample of just 8 practices reporting CAC data.

Figure 2.7. Marketing Efficiency By Practice Size



Note: Stage 6 represents a sample of just 8 practices reporting marketing efficiency data.

Figure 2.6. Advisor Pay And Time Spent Marketing By Practice Size



Marketing Tactics—A Summary

Figure 3.1. Marketing Metrics By Specific Tactic

Tactic	Average Usage	Average Satisfaction	Success Rate	Revenue Per New Client	Aggregate Average CAC	Aggregate Average Efficiency
Referral Generation						
Client Referrals	88%	7.3	95%	5,000	4,272	1.6
Centers of Influence	62%	5.9	85%	5,000	4,198	1.6
Paid Solicitors						
Custodial Referrals [^]	1%	5.8	*	*	*	*
Digital Solicitors	5%	3.9	64%	4,000	*	*
Traditional Solicitors	6%	5.8	75%	6,600	*	*
Lead Generation Platforms						
Online Advisor Listings [^]	18%	5.3	73%	4,000	634	3.4
Third-Party Review Sites	8%	4.3	50%	*	*	*
Cold Prospecting						
Cold-Calling or Door-Knocking	4%	4.1	89%	3,750	*	*
Direct Postal Mail	3%	3.0	67%	7,000	*	*
Events						
Webinars	25%	3.8	49%	4,200	32,539	0.2
Seminars	25%	5.0	55%	7,679	19,097	0.5
Client Appreciation Events [^]	28%	4.7	44%	10,000	59,929	0.1
Networking						
In-Person Networking	47%	4.8	64%	5,000	8,902	0.9
Social Media [^]	40%	3.5	45%	5,000	16,739	0.2
Content Creation						
Writing a Book [^]	8%	3.9	47%	*	*	*
Writing for Third-Party Platforms [^]	17%	3.9	62%	6,500	7,309	0.6
Blogging	32%	3.8	46%	6,500	12,378	0.5
Newsletter	37%	4.0	11%	*	*	*
Hosted Radio Show [^]	2%	6.2	*	*	*	*
Podcasts [^]	11%	4.4	48%	5,000	8,112	0.9
Videos [^]	14%	4.3	62%	6,523	16,526	0.5
Media Appearances	8%	4.7	71%	5,295	*	*
Sponsorships/Paid Advertising [^]	13%	3.3	50%	7,000	11,932	0.4
Search Engine Optimization [^]	30%	5.0	47%	6,667	23,688	0.5
All Tactics Average	-	4.6	59%	5,827	16,161	0.9

**Less than 5 responses*

^5-9 responses for 1 or more of the displayed metrics

Figure 3.2. Marketing Metrics By Tactical Group

Tactic	Average Satisfaction	Revenue Per New Client	Aggregate Average CAC	Aggregate Average Efficiency
Referral Generation	6.7	5,000	3,877	1.6
Paid Solicitors [^]	5.0	6,000	8,411	1.7
Lead Generation Platforms	5.0	4,000	2,289	0.7
Cold Prospecting [^]	3.6	5,320	18,069	0.6
Events	4.5	7,000	27,424	0.4
Networking	4.2	5,000	16,726	0.7
Content Creation	4.1	6,500	14,691	0.5
Sponsorships/Paid Advertising [^]	3.3	7,000	11,932	0.4
Search Engine Optimization	5.0	6,667	23,688	0.5
All Tactics Average	4.6	5,832	15,131	0.9

**Less than 5 responses*

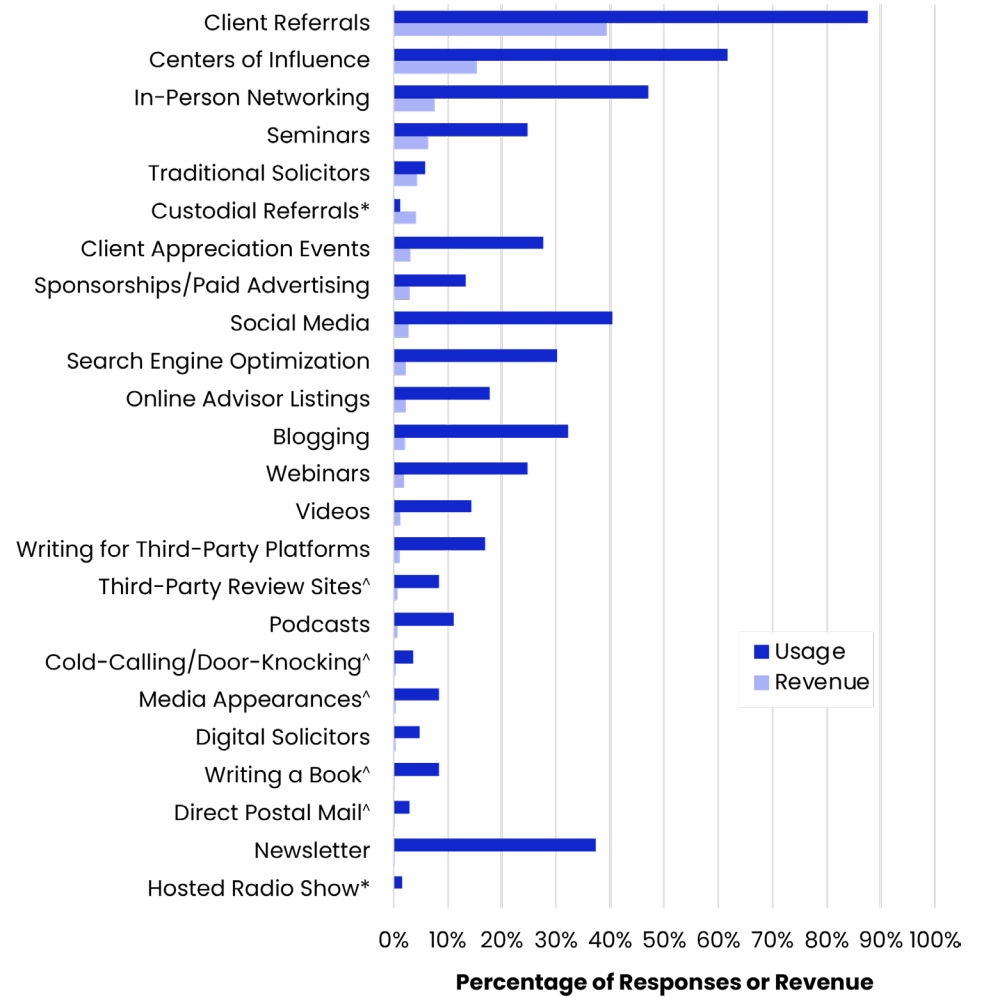
^5-9 responses for 1 or more of the displayed metrics

Marketing Tactics—A Summary

Figure 3.3. Key Metrics For Evaluating Marketing Tactics

Metrics	Metrics
Usage Rate	Share of practices that make use of a particular tactic
Advisor Satisfaction	A 1–10 scale, with “10” representing highest satisfaction with a particular tactic
Success Rate	Share of practices using a tactic that landed at least 1 new client with the tactic
Revenue Per Client	New client revenue attributable to the tactic divided by the number of clients joining the practice as a result of the tactic
Client Acquisition Cost	Expenditures on the tactic divided by the number of clients joining the practice as a result of the tactic
Efficiency	New client revenue attributable to the tactic divided by expenditures on the tactic

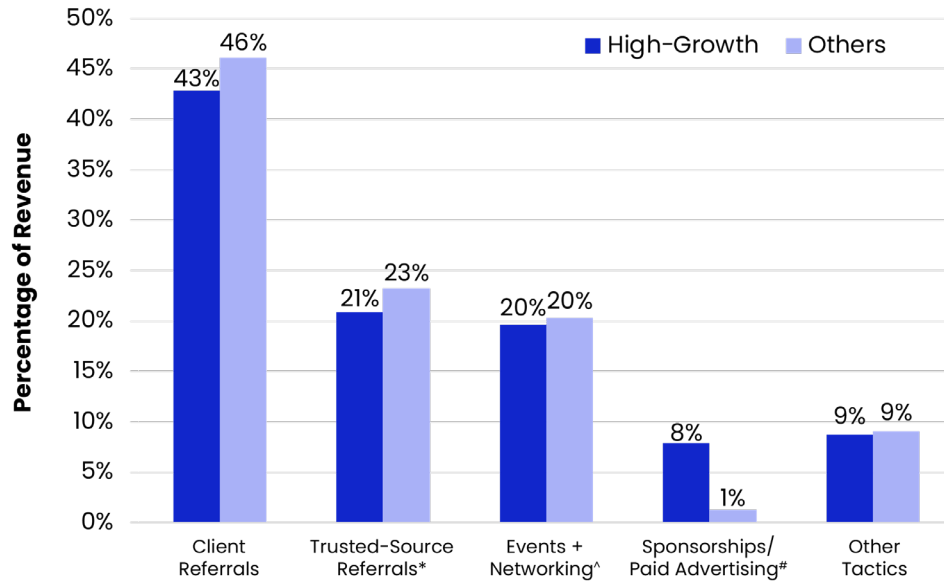
Figure 3.4. Tactics By Usage And Average Revenue Share



*Based on less than 5 responses reporting revenue
 ^Based on 5–9 responses reporting revenue

Marketing Tactics—A Summary

Figure 3.5. New Client Revenue By Client’s “Advisor Search” Approach, High Growth Vs Others



*Includes COI's digital and traditional solicitors, online listings, and third-party review sites

^Includes webinars, seminars, client appreciation events, and in-person networking

#Based on a sample of 4 high-growth practices and 8 others

Figure 3.6. Most Popular Tactics, 2019–2024

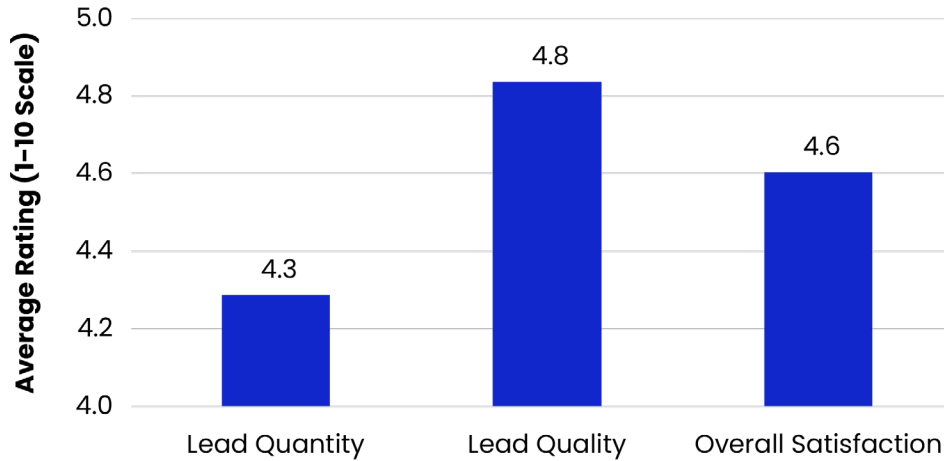
2019		2022	
Tactic	Usage Rate	Tactic	Usage Rate
Client Referrals	93%	Client Referrals	93%
Centers of Influence	60%	Center of Influence	60%
In-Person Networking	47%	Social Media	41%
Social Media	42%	In-Person Networking	36%
Client Appreciation Events	36%	SEO	29%
Blogging	30%	Blogging	28%
Seminars	26%	Online Advisor Listings	26%
Drip Marketing*	24%	Webinars	22%
SEO	22%	Drip Marketing*	20%
Videos	12%	Videos	19%

2024		Increasing Future Use	
Tactic	Usage Rate	Tactic	Share
Client Referrals	88%	Client Referrals	76%
Centers of Influence	62%	Centers of Influence	56%
In-Person Networking	47%	In-Person Networking	37%
Social Media	40%	Seminars	34%
Newsletter	37%	SEO	33%
Blogging	32%	Social Media	31%
SEO	30%	Webinars	31%
Client Appreciation Events	28%	Newsletter	30%
Webinars	25%	Blogging	29%
Seminars	25%	Client Appreciation Events	29%

*Drip marketing redefined as newsletters in 2023 study.

Marketing Tactics—A Summary

Figure 3.7. Average Satisfaction Across All Tactics



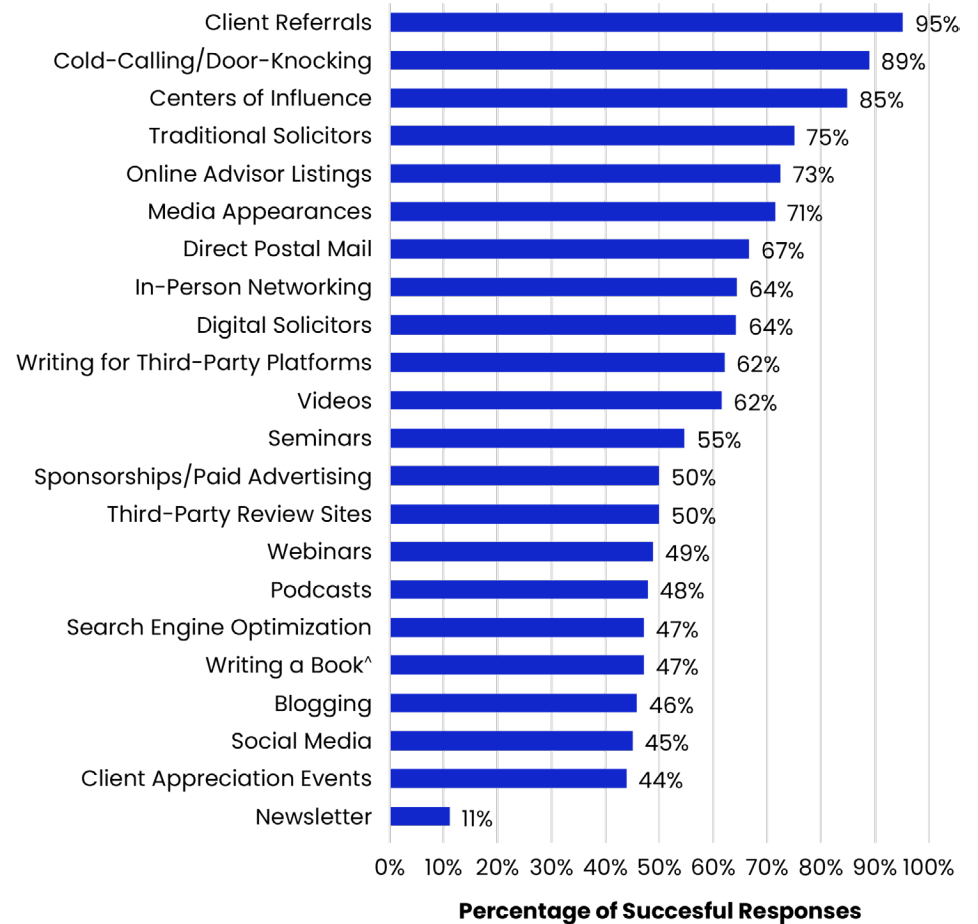
Note: Average satisfaction based on 1-10 scale with “10” representing most satisfied.

Figure 3.8. Top And Bottom 4 Tactics, By Lead Quantity, Lead Quality, And Overall

	Lead Quantity	Lead Quality	Overall
	Tactic/Average Rating	Tactic/Average Rating	Tactic/Average Rating
Best	Client Referrals (6.2)	Client Referrals (7.5)	Client Referrals (7.3)
	Hosted Radio Show [^] (6.0)	Traditional Solicitors (6.9)	Hosted Radio Show [^] (6.2)
	Traditional Solicitors (5.7)	Centers of Influence (6.6)	Centers of Influence (5.9)
	Digital Solicitors (5.7)	Hosted Radio Show [^] (6.2)	Traditional Solicitors (5.8)
Worst	Book Publishing (3.1)	Blogging (3.8)	Webinars (3.8)
	Videos (3.0)	Direct Postal Mail (3.6)	Social Media (3.5)
	Blogging (3.0)	Social Media (3.5)	Advertising (3.3)
	Direct Postal Mail (2.8)	Advertising (3.2)	Direct Postal Mail (3.0)

[^]Hosted radio show ratings based on just 6 responses

Figure 3.9. Success Rates By Tactic



[^]Based on 5–9 responses

Marketing Tactics—A Summary

Figure 3.10. Revenue Per Client By Tactic



[^]Based on 5–9 responses

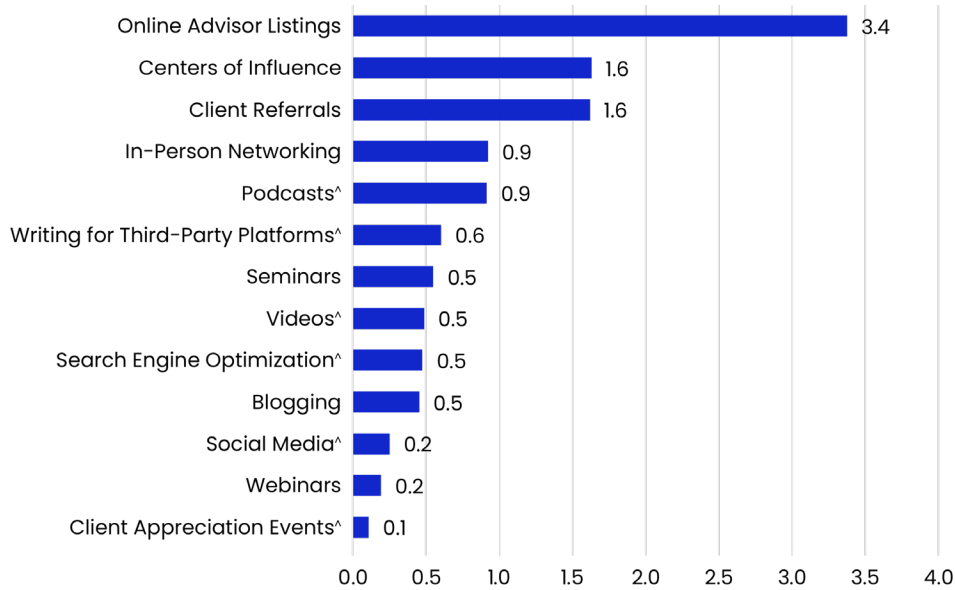
Figure 3.11. Aggregate Average CAC By Tactic



[^]Based on 5–9 responses

Marketing Tactics—A Summary

Figure 3.12. Aggregate Average Marketing Efficiency By Tactic



[^]Based on 5–9 responses

Figure 3.13. Standalone Use Of Supporting Tactics

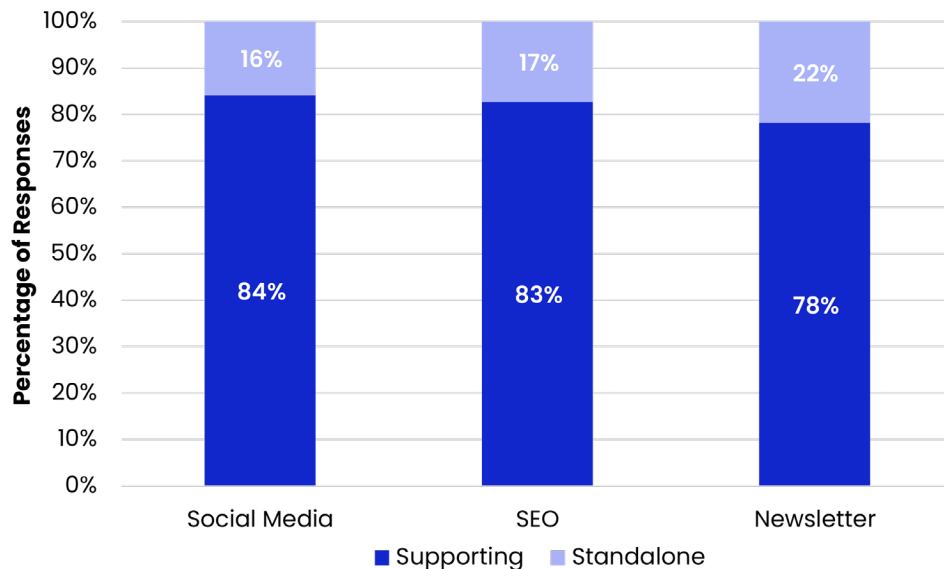


Figure 3.14. Tactics Deployed In Conjunction With Supporting Tactics

Tactic	Social Media	SEO	Newsletter
Client Referrals	45%	25%	54%
Centers of Influence	44%	26%	43%
Custodial Referrals	*	*	*
Digital Solicitors	*	*	*
Traditional Solicitors	*	*	*
Online Advisor Listings [^]	26%	48%	24%
Third-Party Review Sites	*	40%	*
Cold-Calling/Door-Knocking	*	*	*
Direct Postal Mail	*	*	*
Webinars	79%	34%	60%
Seminars	66%	30%	43%
Client Appreciation Events	55%	28%	46%
In-Person Networking	45%	22%	31%
Social Media	---	58%	50%
Writing a Book [^]	63%	43%	46%
Writing for Third-Party Platforms	65%	63%	46%
Blogging	82%	79%	67%
Newsletter	53%	43%	---
Hosted Radio Show [^]	100%	*	*
Podcasts	88%	56%	64%
Videos	94%	76%	70%
Sponsorships/Paid Advertising [^]	55%	38%	26%
Media Appearances	89%	55%	39%
Search Engine Optimization	56%	---	33%
Average	57%	44%	42%

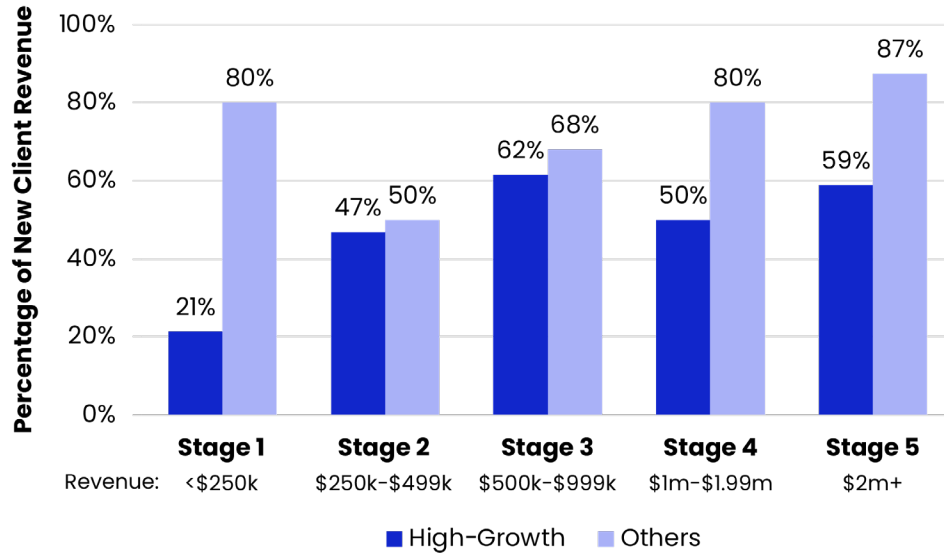
Note: Percentages represent the share of respondents using a particular tactic who reported using the tactic in tandem with 1 of the 3 supporting tactics.

[^]Based on 5–9 responses

*Less than 5 responses

Referral Generation

Figure 4.1. Share Of New Client Revenue From Referrals



Note: Excludes mature practices

Figure 4.2. Approach Towards Client Referrals

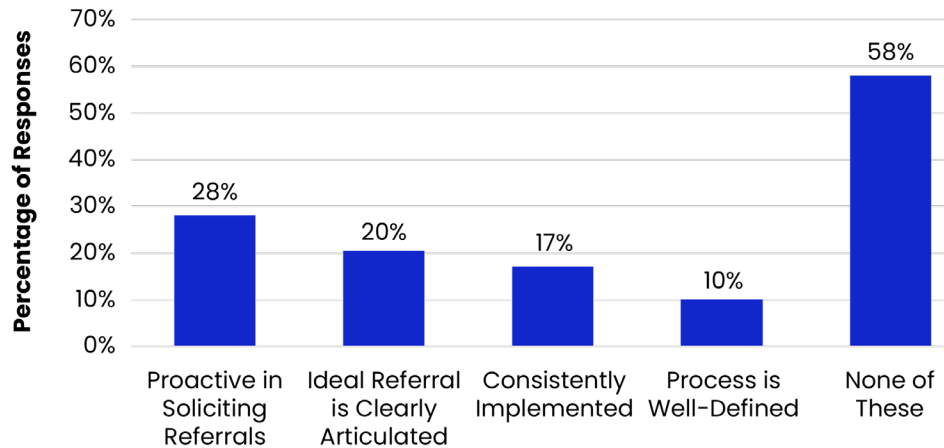
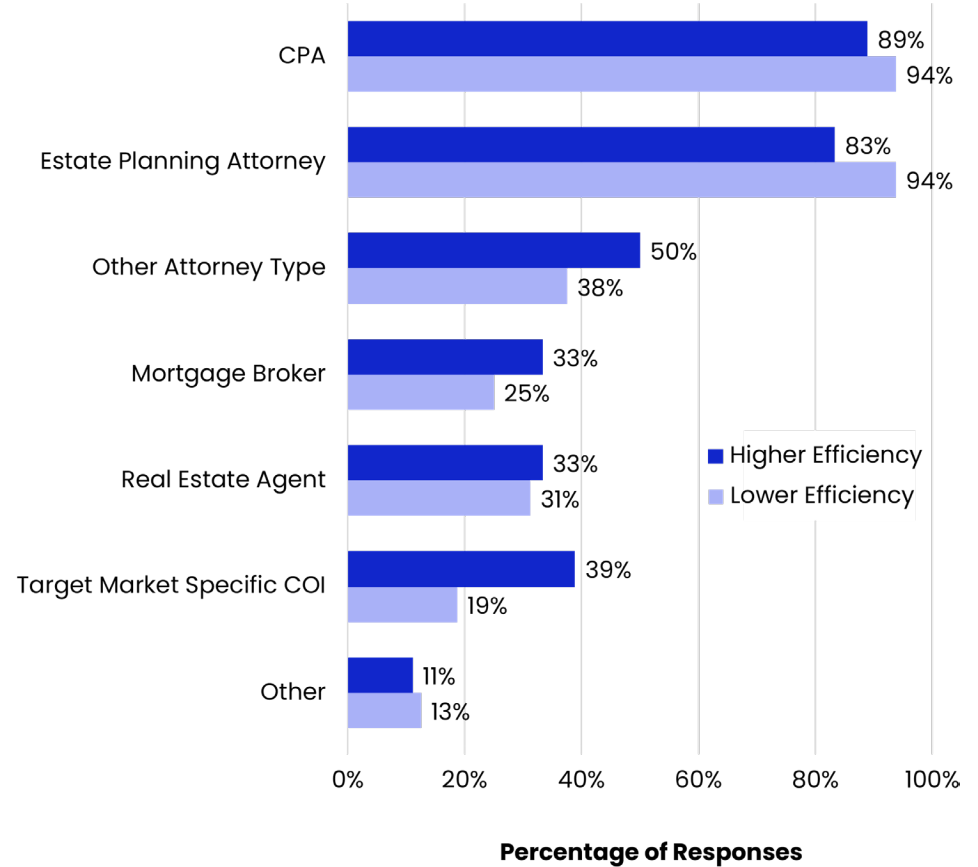


Figure 4.3. Types Of COIs Engaged With By Marketing Efficiency



Note: "Higher Efficiency" includes practices with median or greater COI marketing efficiency. "Lower Efficiency" includes practices with COI marketing efficiency below median.

Referral Generation

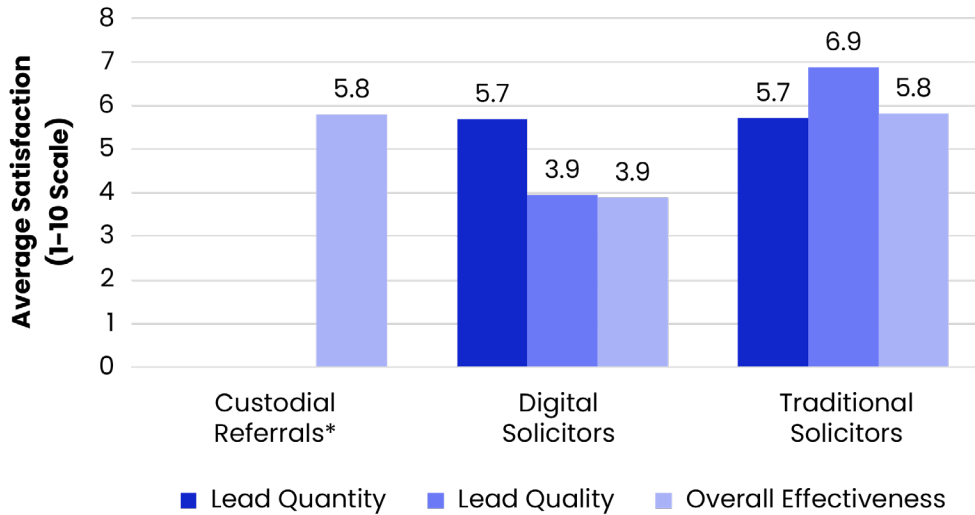
Figure 4.4. Assessing Fit – Referral Generation

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Low acquisition costs and high efficiency • High advisor satisfaction • High success rates • Small number of key relationships can generate the majority of the results 	<ul style="list-style-type: none"> • Less scalable given inability to substitute advisor time for hard dollars when investing into key relationships • Difficult to sustain growth through client referrals once “well runs dry” • Heavy reliance on client referrals is not characteristic of high-growth practices • Critical mass of clients needed before a client referral strategy is truly viable

Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Practices with advisor capacity but a lack of hard dollars • Mature practices with little interest in active marketing • Stage 3 practices or larger • Practice age of 10 or more years • Niche practices working with target-specific COIs to attract hard-to-reach prospects 	<ul style="list-style-type: none"> • Practices with high growth goals • Client referrals for Stage 1 practices or practices under 5 years of age • Practices that lack an understanding of the type of COI that is best suited for the type of prospect they are targeting

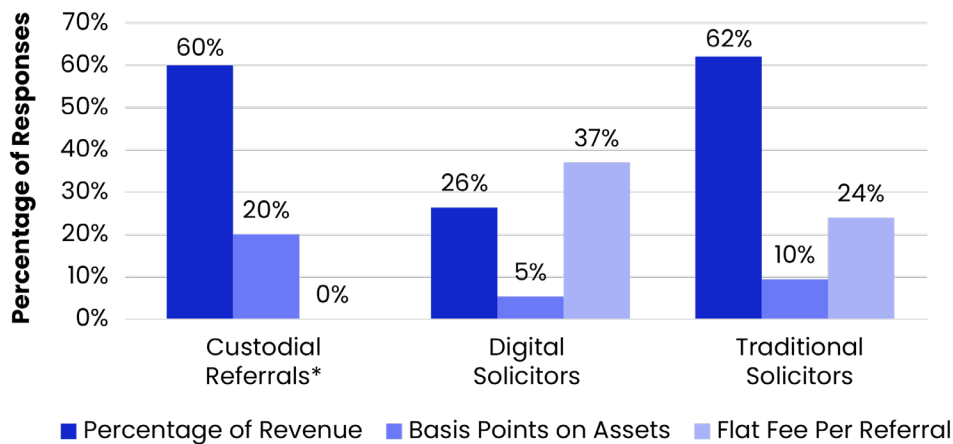
Paid Solicitors

Figure 4.5. Satisfaction Ratings, Paid Solicitors



*Quantity and quality ratings for custodial referrals are unavailable due to lack of sufficient responses. The overall effectiveness rating for custodial referrals is based on just 5 responses.

Figure 4.6. Popular Payment Terms, Paid Solicitors



*Based on just 5 responses

Figure 4.7. Assessing Fit – Paid Solicitors

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> Success rates well above average Sustainable in that advisor time commitment is low Contingent nature of fees (typically only paid on success) allows the tactic to “pay for itself” in hard-dollar costs 	<ul style="list-style-type: none"> Requires advisor time to clarify with referral source the profile of a quality referral Alternatively requires advisor time to filter out sub-par referrals Stringent requirements to participate in custodial referral programs Total cost can be high, albeit often paid over time and only contingent upon success
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> Solicitors other than custodians are ideal for start-up practices with high-growth ambitions Paid solicitors in general may be good fit for more established practices who are interested in growth but prefer to outsource marketing Custodial referrals ideal for established practices with capability to serve HNW market but limited internal marketing capacity 	<ul style="list-style-type: none"> Practices that lack a good understanding of their target prospect or are unable to articulate their ideal target profile Custodial referrals not realistic for less experienced practices with limited service capabilities

Cold Prospecting

Figure 4.8. Satisfaction Ratings, Cold Prospecting

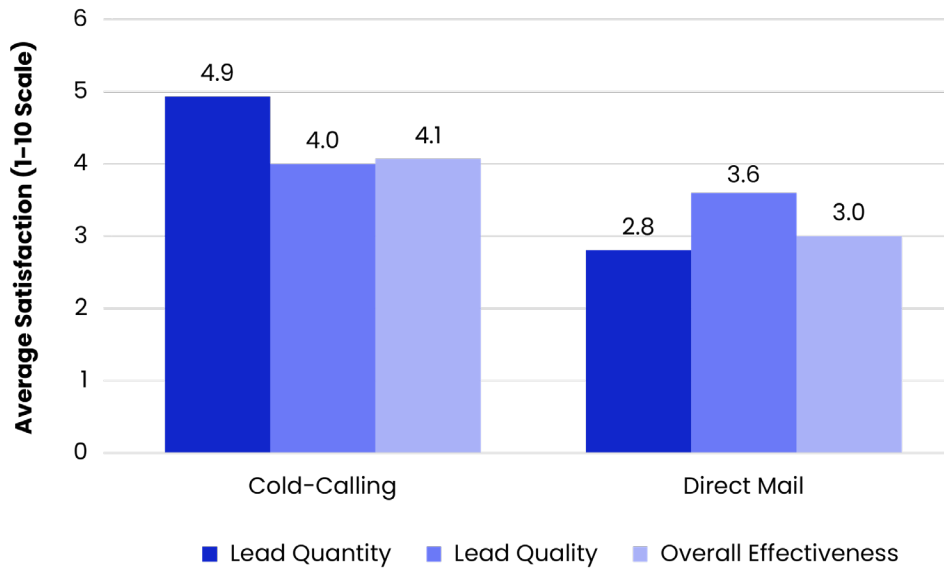


Figure 4.9. Assessing Fit – Cold Prospecting

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Success rates well above average, albeit requiring persistent time and effort • Above average revenue per client for direct mail • Select high-growth practices do use these tactics 	<ul style="list-style-type: none"> • Low advisor satisfaction • Below average revenue per client for cold calling/cold knocking • High time cost with cold calling – lacks scalability without effective means for outsourcing
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Start-up practices with restricted hard dollars but ample advisor time • Practices willing to find the right outsource solution for implementation (and some financial wherewithal to pay for that support) 	<ul style="list-style-type: none"> • Cold calling is not suitable for practices with more highly paid advisors who are doing it themselves • Outside of start-ups, these tactics are a poor fit for practices that insist on doing it themselves

Lead Generation Platforms

Figure 4.10. Satisfaction Ratings, Lead Generation Platforms

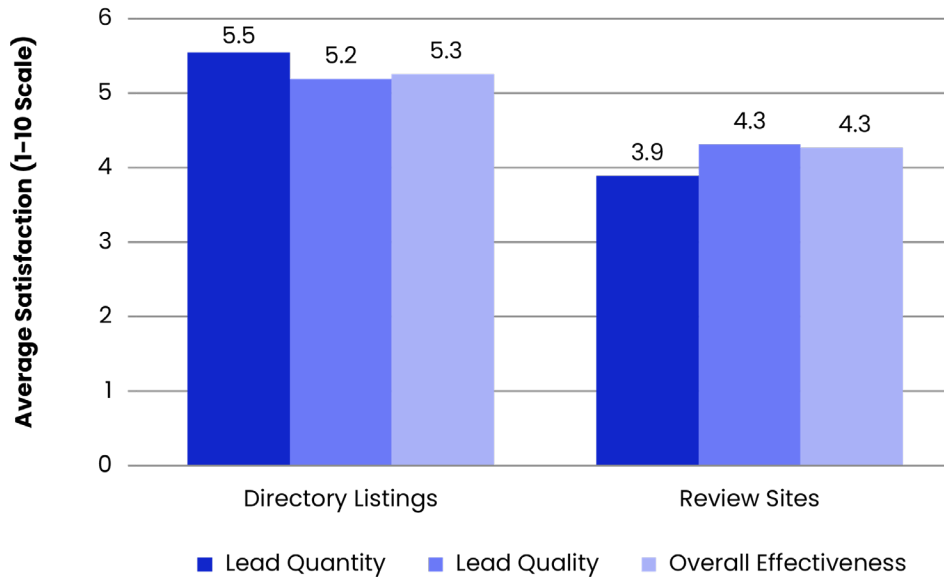
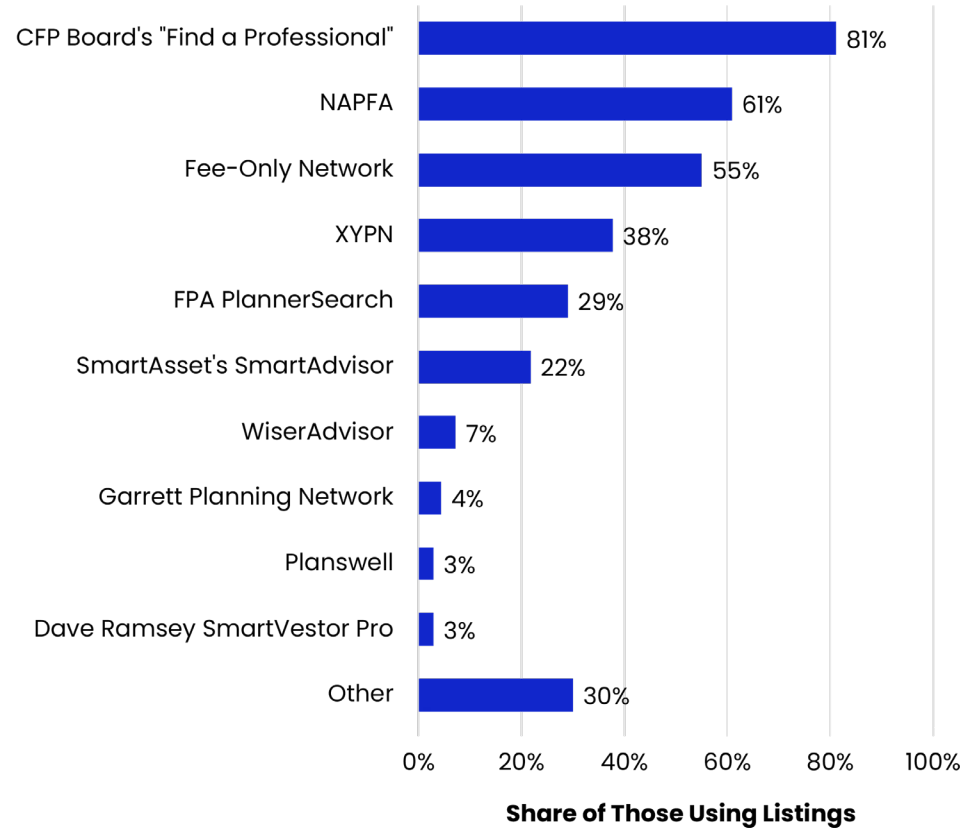


Figure 4.12. Online Directory Listing Providers, Detailed Satisfaction Ratings

Provider	Lead Quantity	Lead Quality	Overall Value
CFP Board's "Find a Professional"	1.9	3.3	4.6
Fee-Only Network	3.1	4.9	4.8
FPA PlannerSearch	1.6	2.3	2.3
NAPFA	3.9	5.9	5.8
SmartAsset's SmartAdvisor	7.5	4.8	5.2
WiserAdvisor*	-	-	5.6
XYPN	3.2	4.4	5.3

*Based on just 5 responses

Figure 4.11. Online Advisor Directory Listings Used



Lead Generation Platforms

Figure 4.13. Online Directory Listings, Payment Methods

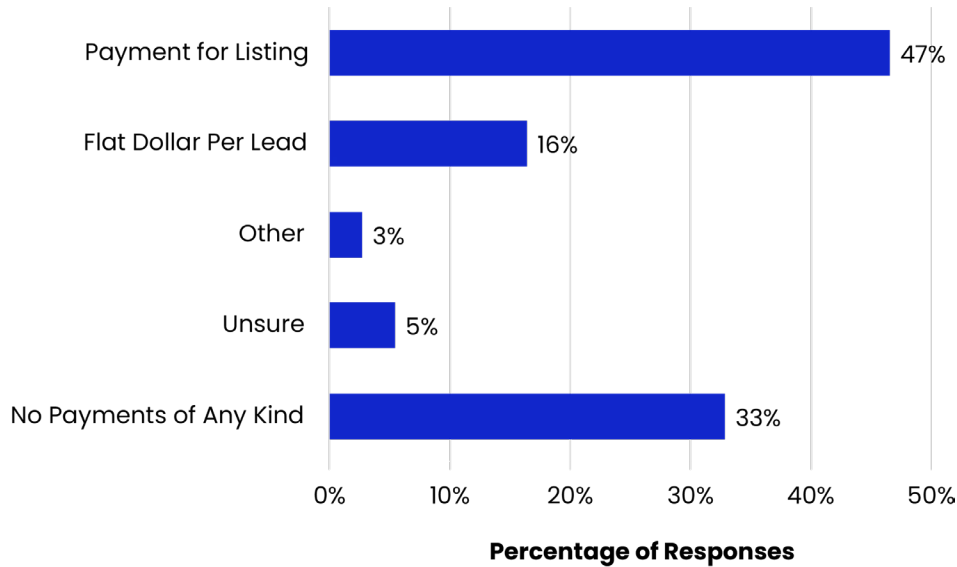


Figure 4.14. Review Sites Monitored

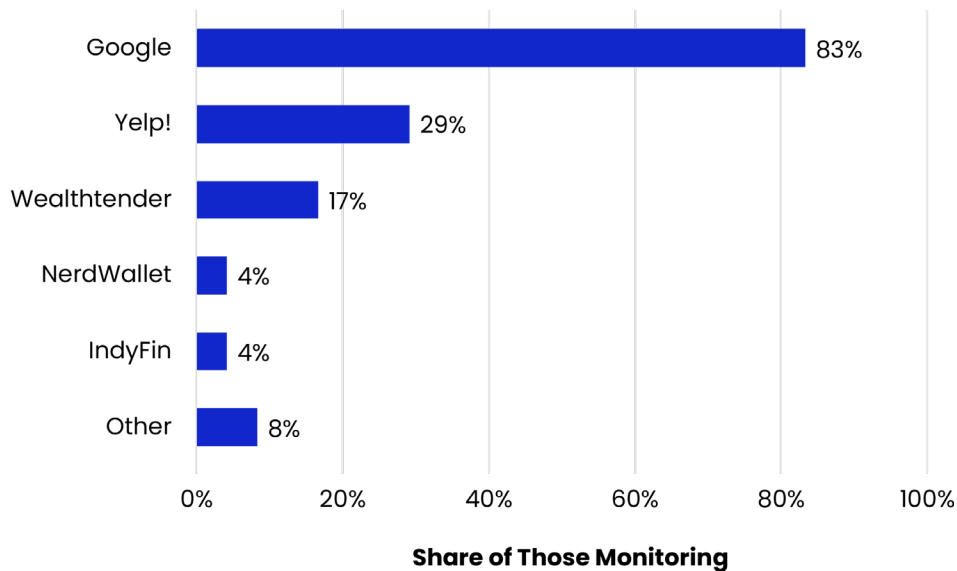


Figure 4.15. Assessing Fit – Lead Generation Platforms

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Simple to take part in or engage with • Directory listings the best-ranking tactic for both low cost and high efficiency • Success rates well above average for directory listings • Sustainable in that advisor time commitment is low 	<ul style="list-style-type: none"> • Limited ability to influence and increase referral flow through directory listings beyond whatever they passively provide • Tepid success rates for review sites
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Good fit for practices with limited resources • Directory listings especially ideal for startup practices with high-growth ambitions • Review sites particularly advantageous for practices with large client base 	<ul style="list-style-type: none"> • Practices that lack a good understanding of their target prospect or are unable to articulate their ideal target profile • Smaller practices may not have a client base sufficient in size to generate material awareness through review sites

Marketing Events

Figure 4.16. Marketing Event Usage, 2019–2024

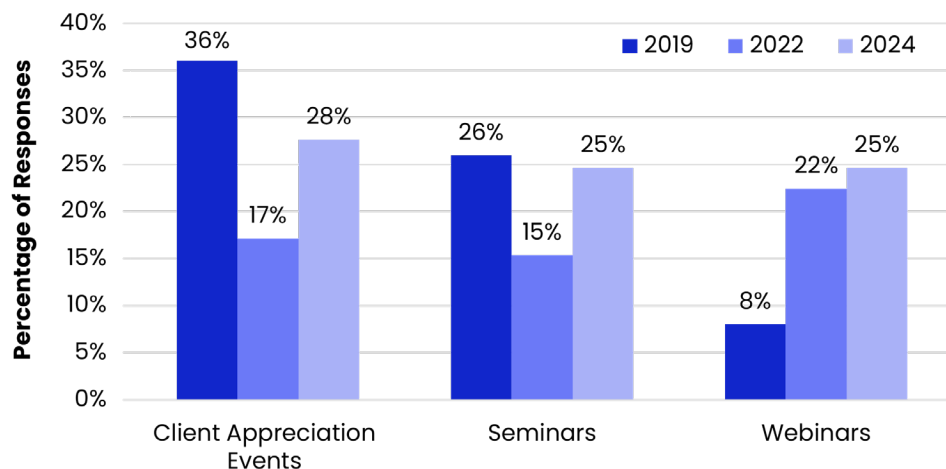


Figure 4.17. Marketing Event Key Characteristics

	Client Appreciation	Seminar	Webinar
Frequency Per Year	2	4	4
Typical Location	Restaurant	Conference Space or Event Center	Online
Typical Time	Weeknight	Weeknight	Weekday
Number of Attendees	30	20	20
Share Who Never Charge for Attendance	---	89.0%	96.2%
Lead Generation Method	Email	Email or Social Media	Email or Social Media
Hard-Dollar Cost	\$8,000	\$4,000	\$225
Hard-Dollar Share of Total Cost	38%	27%	3%
Aggregate Average CAC	\$59,929	\$19,097	\$32,539
Aggregate Average Marketing Efficiency	0.1	0.5	0.2

Figure 4.18. Assessing Fit – Marketing Events

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> High revenue per client Effective for emphasizing practice expertise and strengthening engagement Effective for increasing brand awareness Fast results cycle – prospects decide whether to engage at the end of the seminar/webinar event 	<ul style="list-style-type: none"> High acquisition costs Low success rates unless the practice refines its execution “Trial and error” period often required before achieving success
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> Practices comfortable with “high risk, high reward” tactics Practices that view events as 1 component of a long-term marketing plan Established resource-abundant practices that apply events as supplementary marketing 	<ul style="list-style-type: none"> Practices with limited resources to host (and promote) the event

Networking

Figure 4.19. Groups Used For In-Person Networking

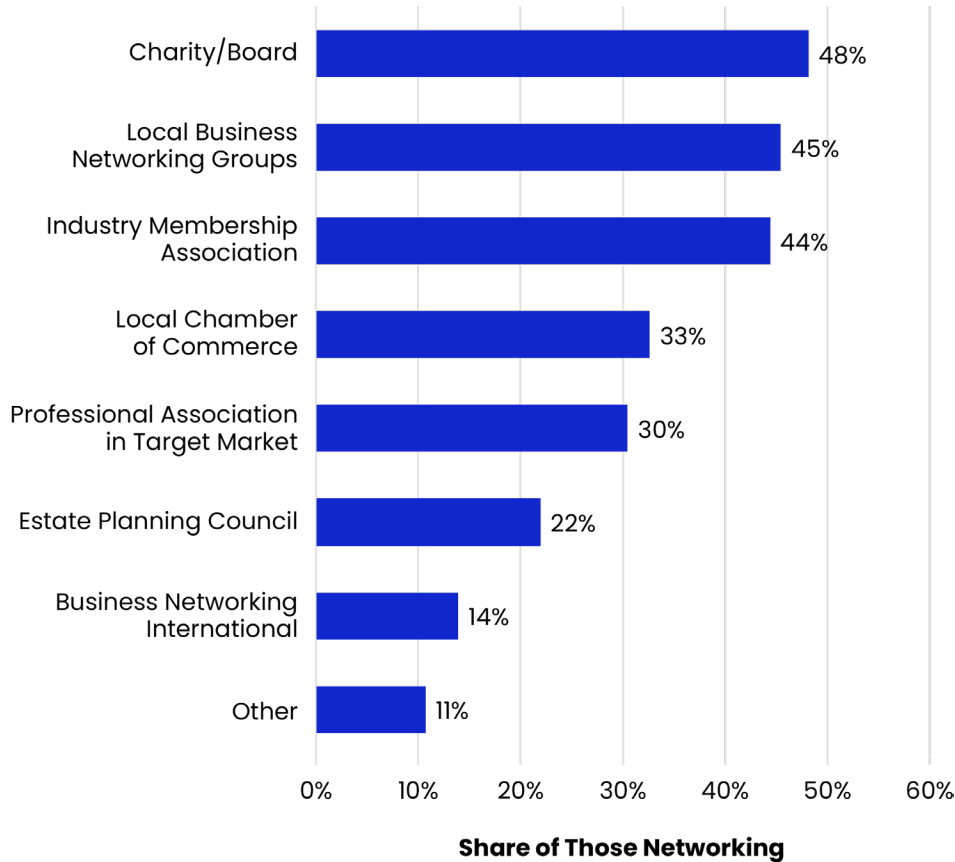
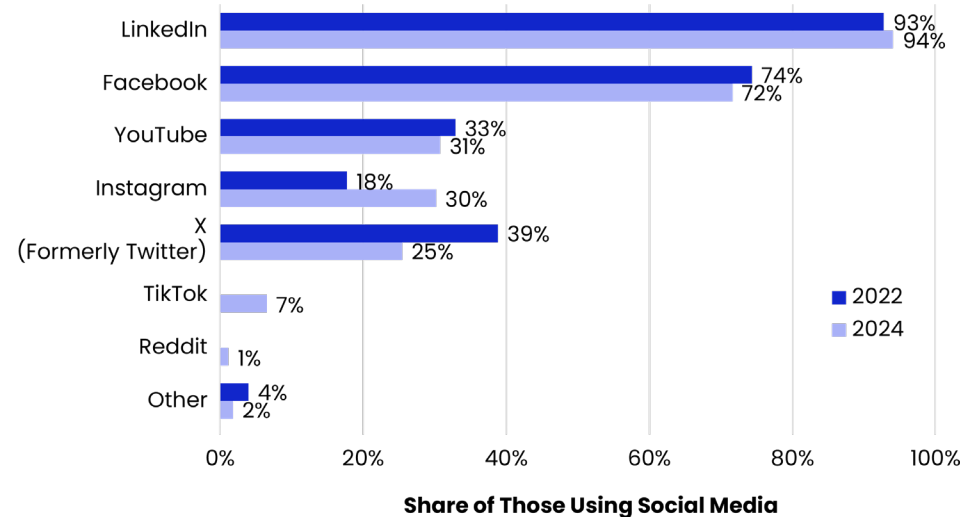
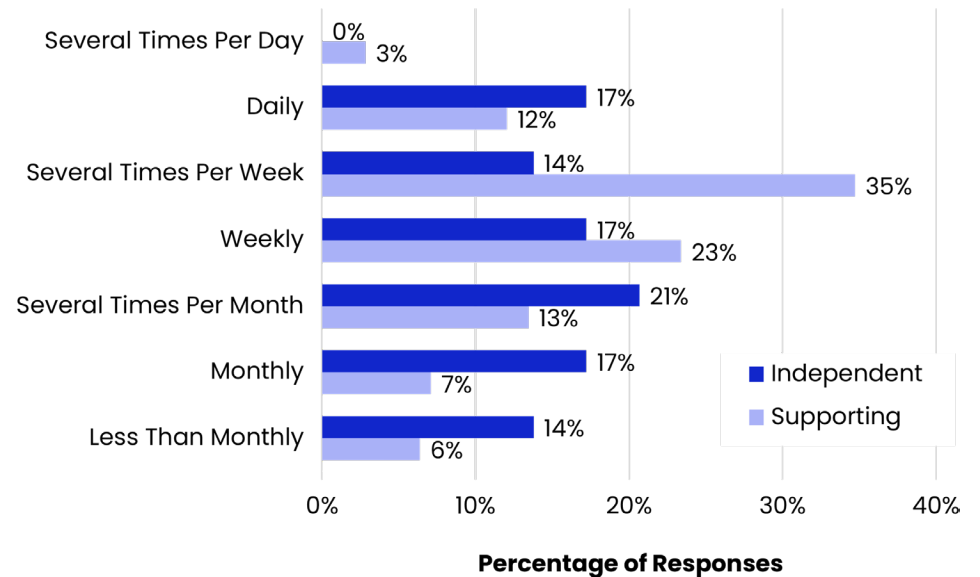


Figure 4.20. Social Media Platforms Used, 2024 And 2022



Note: Respondents were not asked to report TikTok or Reddit usage in 2022.

Figure 4.21. Social Media Posting Frequency, When Used Independently Vs As A Supporting Tactic



Networking

Figure 4.22. Use of External Support, Social Media, When Use Independently Vs As A Supporting Tactic

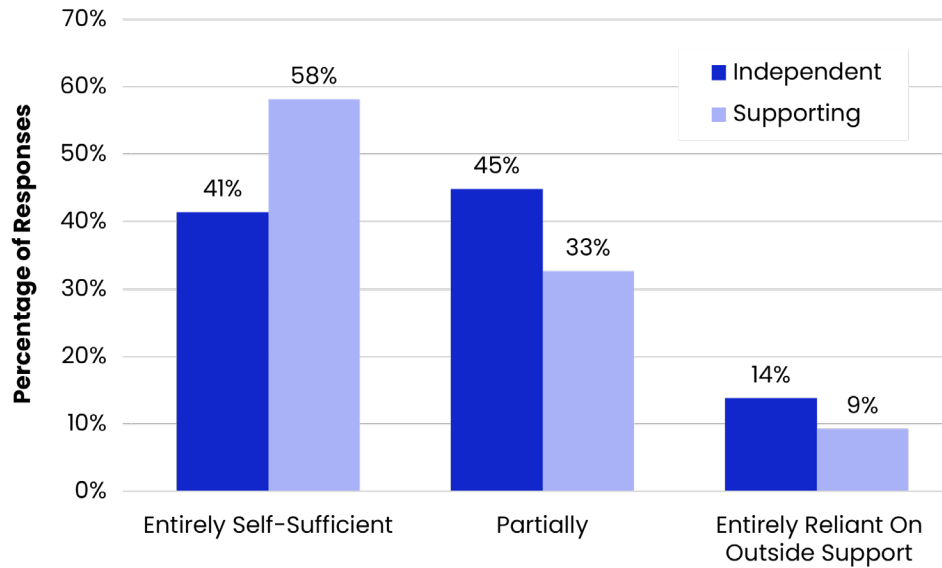
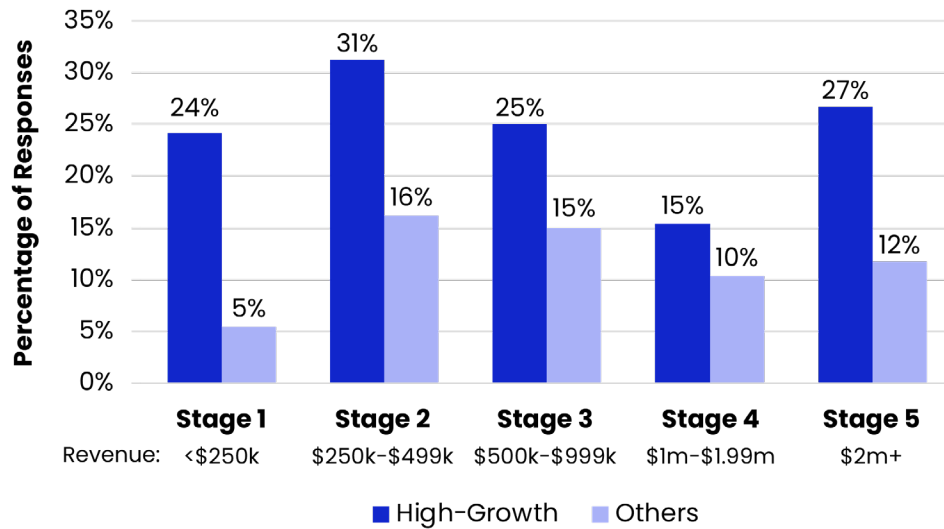


Figure 4.23. Assessing Fit – Networking

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Social media boosts marketing productivity when combined with other tactics • High success rates and lower costs result in above average marketing efficiency for in-person networking 	<ul style="list-style-type: none"> • Social media, as independent tactic, is high-cost and low-efficiency • Social media shows higher advisor time commitment, especially amongst those who are successful • In-person networking less scalable given inability to substitute hard dollars for advisor's limited time
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • In-person networking most suitable for (typically smaller) practices with lower-cost advisor time • Social media enables niche focus practices to better reach their more specific target markets • Social media is ideal for practices wanting to amplify the impact of other (content-based) marketing tactics 	<ul style="list-style-type: none"> • In-person networking is not always cost-effective for larger practices given higher costs of advisor time • Practices that lack an understanding of what type of networking is most appropriate for the type of prospect they are targeting

Content Creation

Figure 4.24. Video Usage, High-Growth Vs Others



Note: Excludes mature practices

Figure 4.25. Topics Most Emphasized in Marketing Content

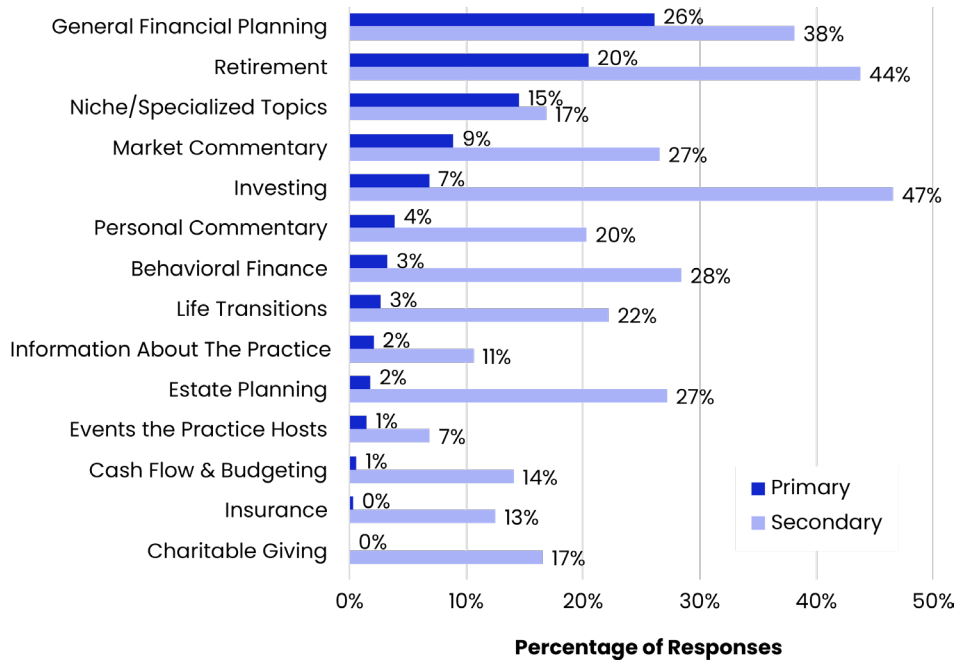


Figure 4.26. Written Content, Key Characteristics

	Book	Third-Party Articles	Blogging	Newsletters
Frequency	-	Quarterly	Monthly	Monthly
Length	150 Pages	750 Words	700 Words	800 Words
Production	8 Months to Write & Publish Produced In-House; Editing & Publishing Outsourced \$5,000 Paid for External Support	-	All Content Created In-House	All Content Created In-House
Typical Distribution or Supporting Tactics	Social Media	Social Media SEO	Email/Newsletter Social Media SEO	Email

Content Creation

Figure 4.27. Audio And Video Content, Key Characteristics

	Radio Show	Podcasts	Videos
Frequency (releases per year)	Weekly	Semi-Monthly	Semi-Monthly
Length (in minutes)	60	25	5
Production	Partially or Entirely Self-Sufficient Multiple Co-Hosts Pay for Airtime	Entirely Self-Sufficient Multiple Co-Hosts	Entirely Self-Sufficient
Platforms	AM Radio Streaming On Demand	-	YouTube LinkedIn Facebook
Platforms	Social Media	Social Media Newsletters	Social Media Newsletters SEO

Figure 4.28. Content Success Rates, Niche-Focused Vs Others

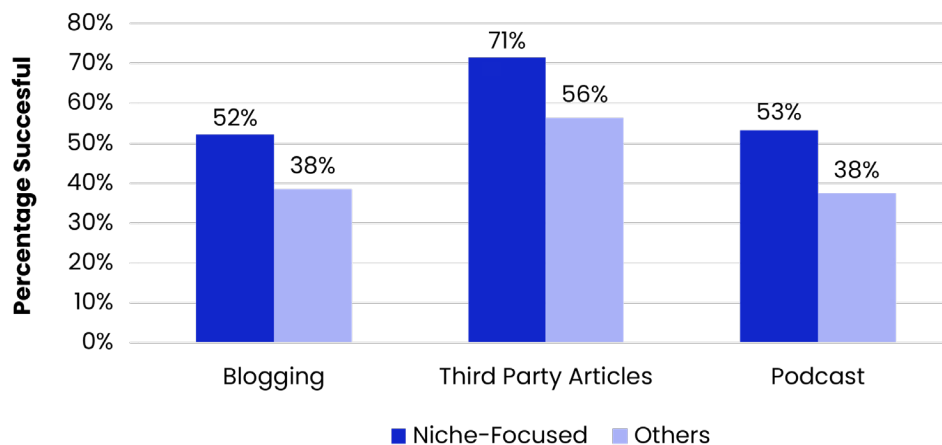


Figure 4.29. Assessing Fit – Content Creation

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> • Effective means for emphasizing the expertise of the practice, particularly with niche audiences • Inbound tactic for those averse to overly 'salesy' outbound approaches • Many content creation tactics correlate with high-growth practices due to their scalable reach 	<ul style="list-style-type: none"> • Often lacks an immediate payoff (but success rates improve significantly with the use of support tactics) • Can be time intensive for advisors, and compromise the sustainability of the practice
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> • Niche-focused practices looking to reinforce their niche expertise • Practices that lack a strong outbound sales culture and prefer inbound growth • Practices that view content generation as one component of a long-term marketing plan 	<ul style="list-style-type: none"> • Practices with limited time capacity or inclination to create content • Practices unwilling to adhere to a frequent and regular content release schedule • Startup practices in need of a quick growth stimulus

Advertising

Figure 4.30. Specific Types Of Advertising Used

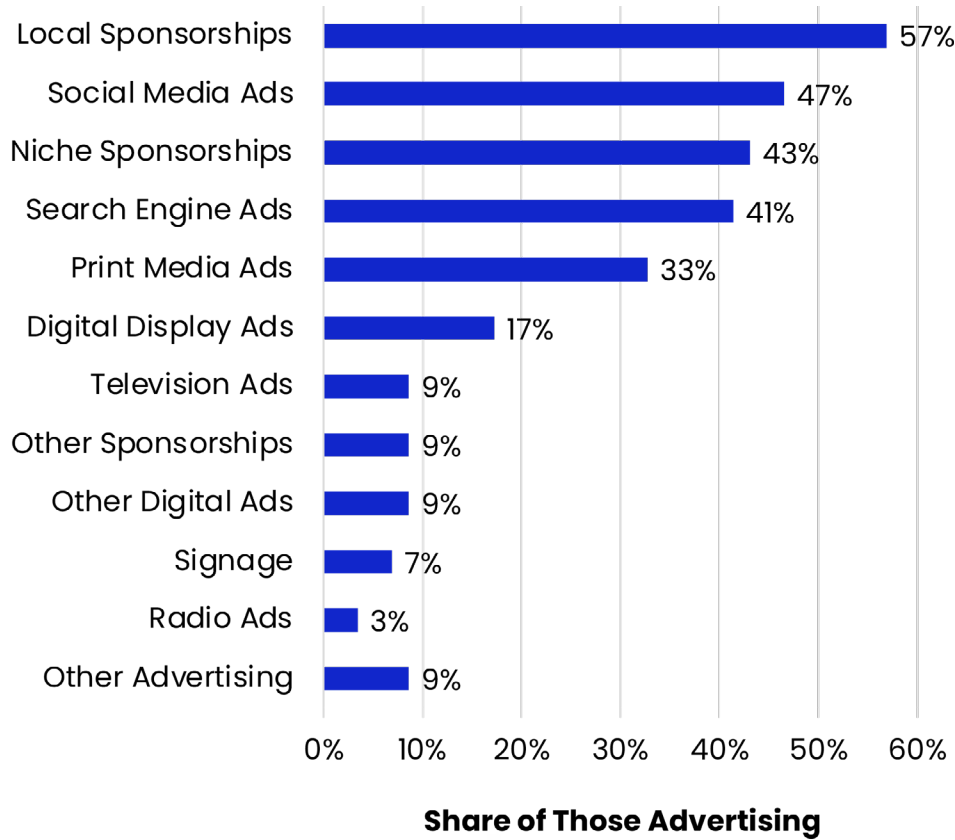


Figure 4.31. Distribution Of Advertising Expenditures By Category

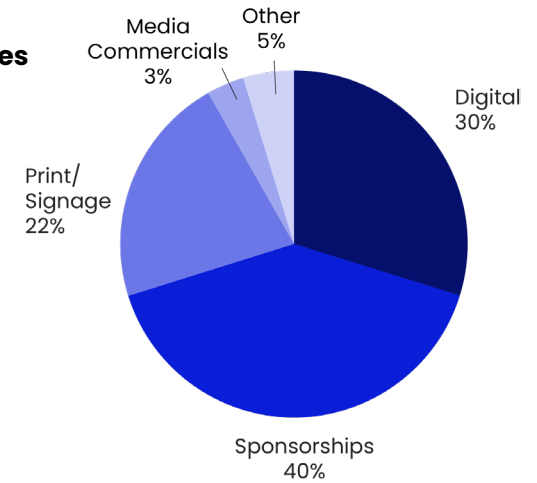
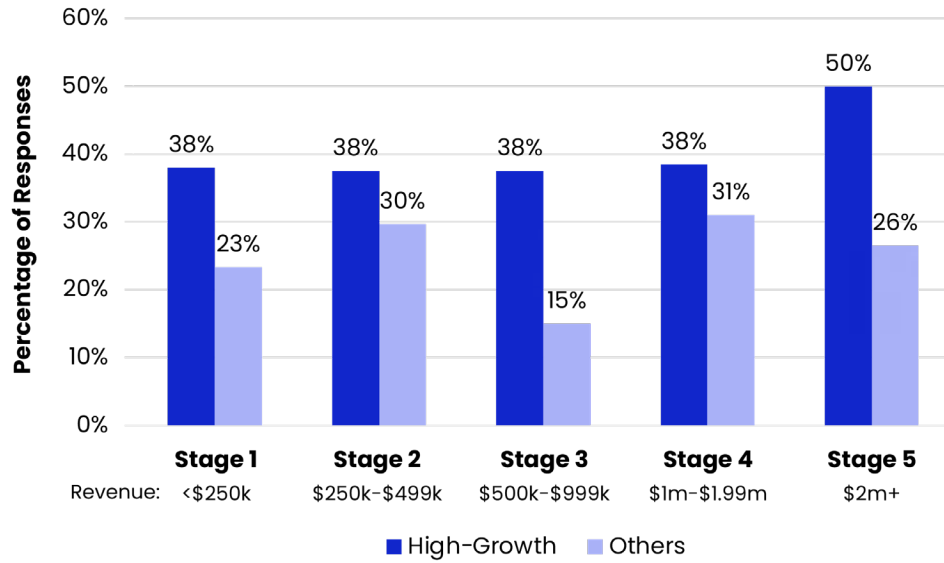


Figure 4.32. Assessing Fit – Advertising and Sponsorships

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> Ability to speak to a very specific audience, especially with digital Scalable, with minimal advisor time required assuming access to either internal or external marketing support 	<ul style="list-style-type: none"> Not as effective for directly facilitating client acquisition Requires significant hard-dollar outlay
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> Startup practice interested in quickly establishing its brand with dollars to spend to do so Niche practices interested in reaching very specific audiences Established resource-abundant practices applying advertising as supplementary marketing 	<ul style="list-style-type: none"> Practices with limited marketing budgets Practices who lack clarity in terms of the “brand story” they wish to tell and target market they wish to tell it to

Search Engine Optimization

Figure 4.33. SEO Use, High-Growth Vs Others



Note: Excludes mature practices

Figure 4.34. Success Rates With And Without SEO

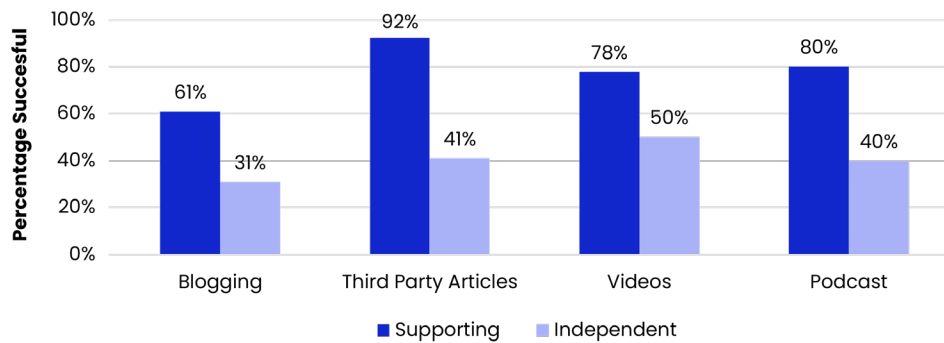


Figure 4.35. Key SEO Objectives

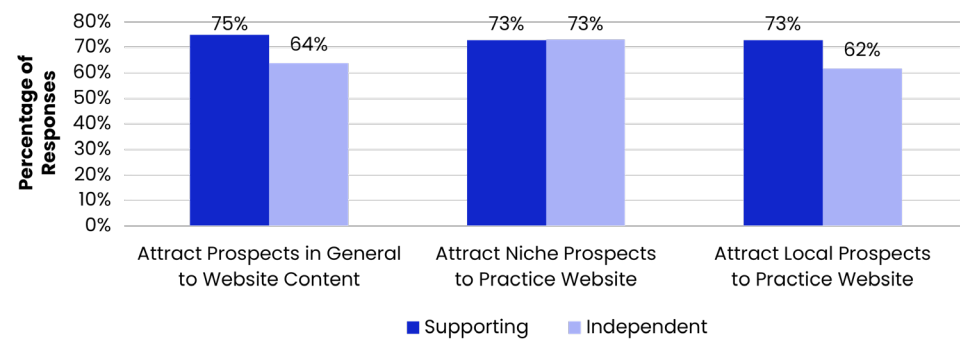
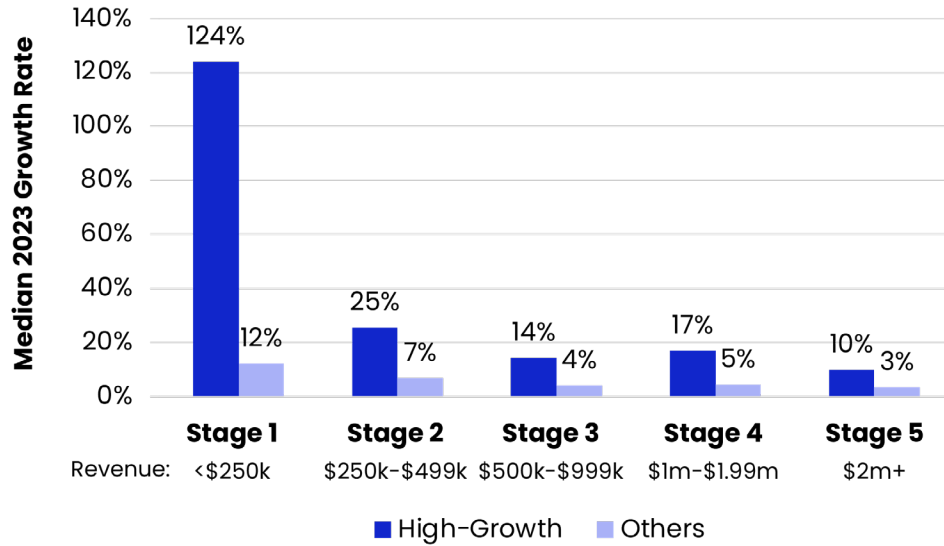


Figure 4.36. Assessing Fit – Search Engine Optimization

Weighing Advantages	
Pros	Cons
<ul style="list-style-type: none"> Potential low cost, once initial investment is made Requires minimal investment of advisor time Scalable as the practice grows local visibility or (niche) content library Can significantly boost performance of other tactics, particularly those that are content-related 	<ul style="list-style-type: none"> Not typically an effective standalone tactic, unless optimizing for a local market Standalone success would require that practice website is capable of converting visitors into leads
Practice Matching	
Tailor-Made	Ill-Fitting
<ul style="list-style-type: none"> Niche-focused practices seeking to attract very specific prospect types Practices with limited soft-dollar resources Practices that are comfortable creating content and want to make it more findable to amplify results 	<ul style="list-style-type: none"> Practices lacking an effective website or compelling content Practices that don't have a clear target clientele to attract (and optimize towards)

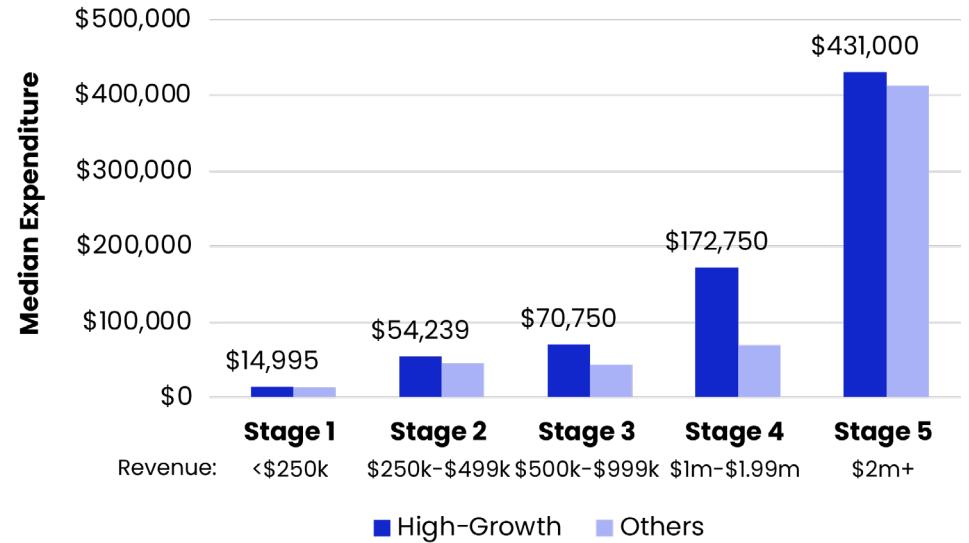
Learning From High-Growth Practices

Figure 5.1. Organic New Client Revenue Growth, High-Growth Vs Others



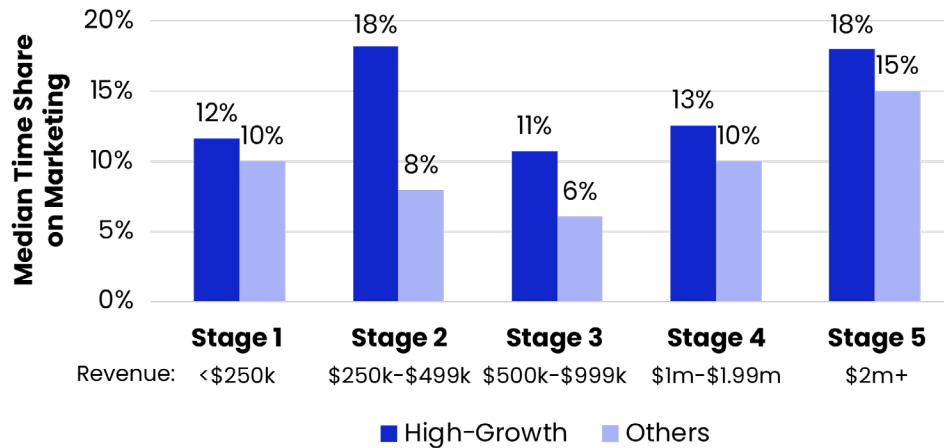
Note: Excludes mature practices

Figure 5.2. Total Marketing Costs, High-Growth Vs Others



Note: Excludes mature practices

Figure 5.3. Share Of Advisor Time On Marketing, High-Growth Vs Others



Learning From High-Growth Practices

Figure 5.4. Marketing Tactic Usage, High-Growth Vs Others

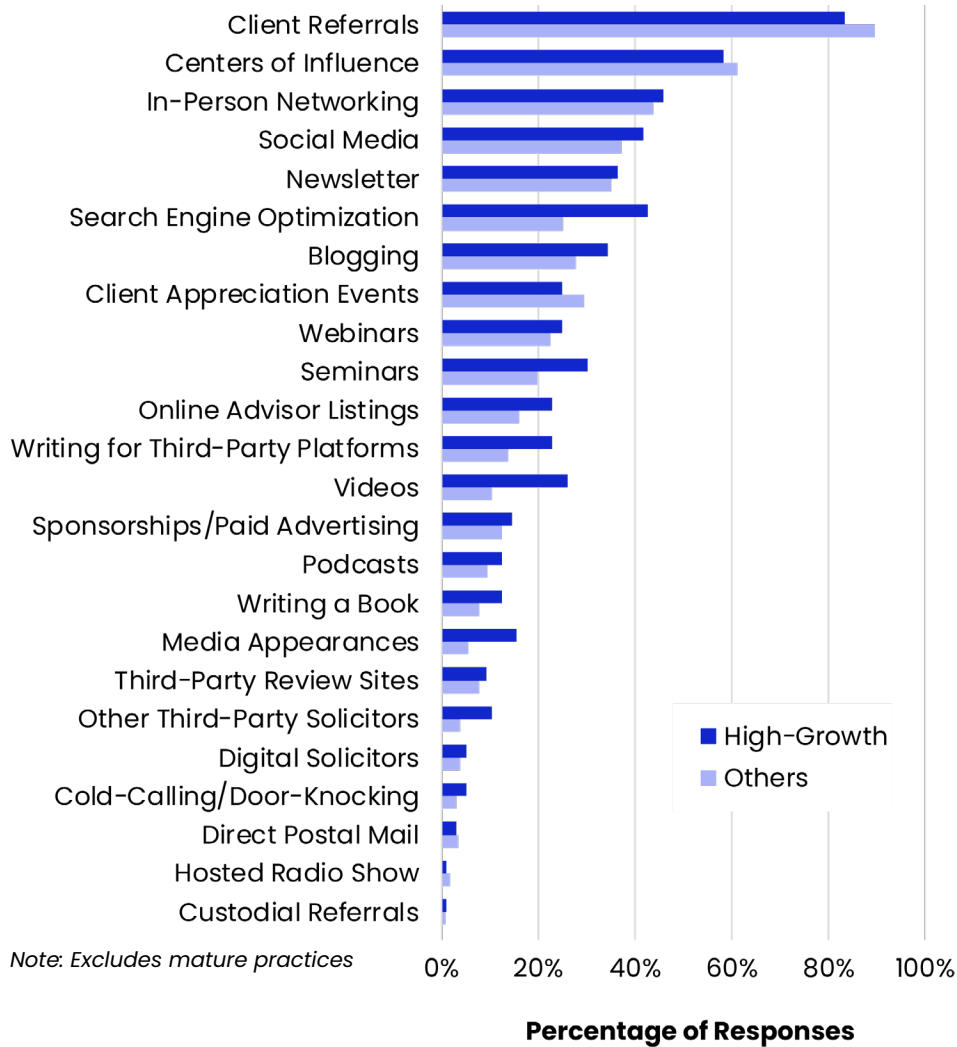
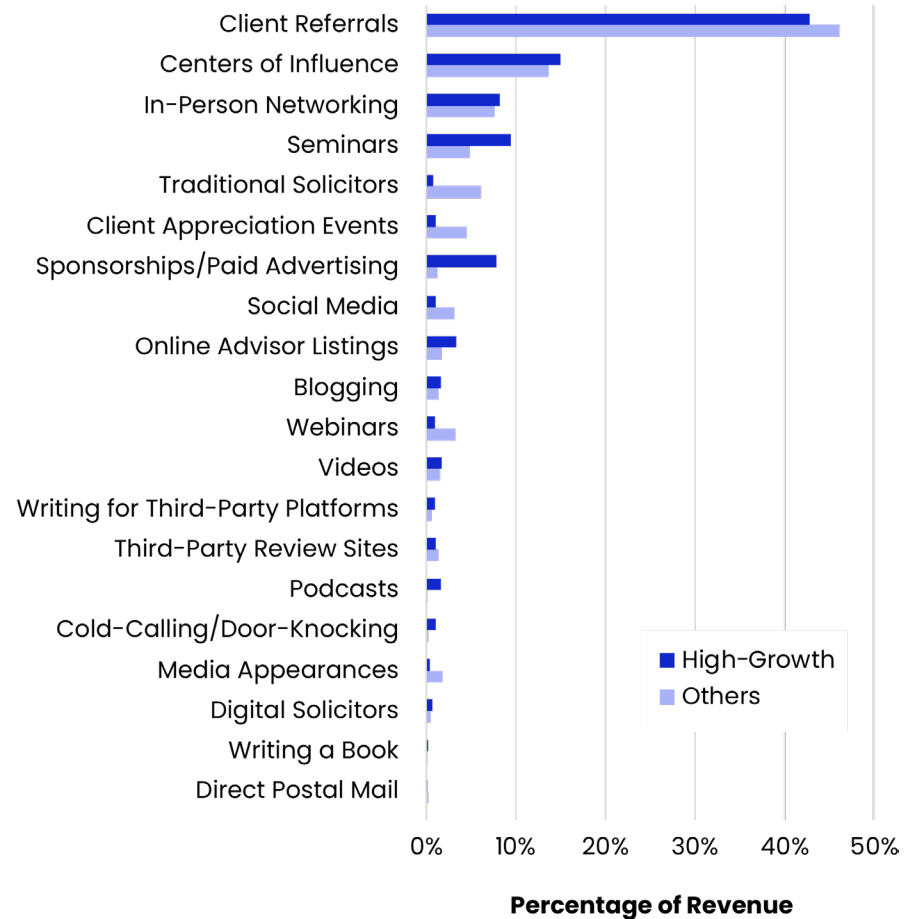


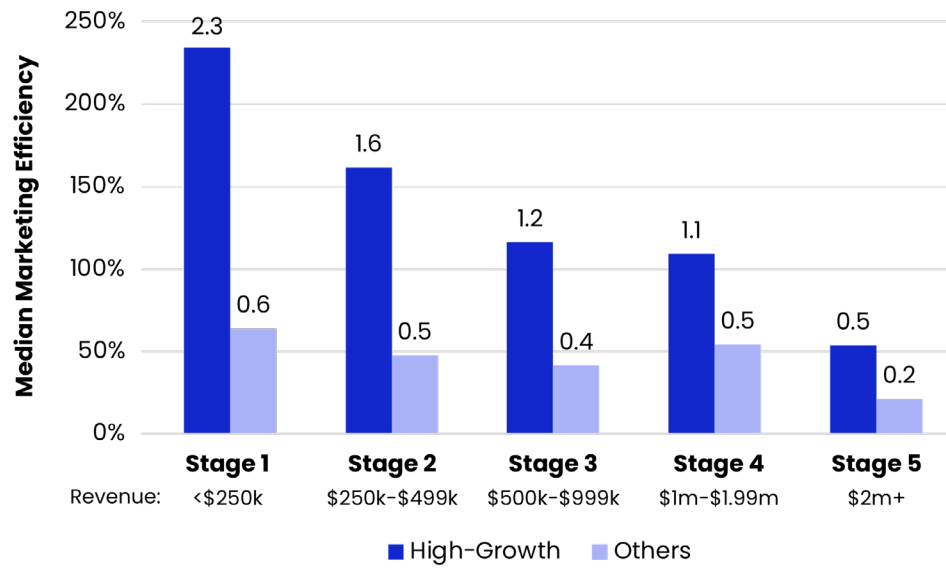
Figure 5.5. Tactics By Average Share Of New Revenue, High-Growth Vs Others



- Notes:
- Results exclude mature practices.
 - “High-growth” revenue share estimates are based on less than 5 responses for digital solicitors, third-party review sites, direct postal mail, cold calling, books, and advertising.
 - “High-growth” revenue share estimates are based on 5–9 responses for traditional solicitors, media appearances, podcasts, and social media.
 - “Others” revenue share estimates are based on less than 5 responses for digital solicitors, third-party review sites, direct postal mail, cold calling, media appearances, and books.
 - “Others” revenue share estimates are based on 5–9 responses for traditional solicitors, videos, podcasts, and advertising.
 - Data unavailable for custodial referrals, hosted radio show, search engine optimization, and newsletters

Learning From High-Growth Practices

Figure 5.6. Practice-Wide Marketing Efficiency, High-Growth Vs Others



Note: Excludes mature practices

Tailoring The Right Marketing Approach For Your Practice

Figure 6.1. Best Marketing Tactics By Function

Tactics	Multi-Purpose	Size Best Suited For:		High-Growth Aspirations	Niche-Focus	Low Advisor Commitment (Scalability)	Lost Cost/High Efficiency
		<\$500k	750k+				
Client Referrals			X				X
Centers of Influence	X	X			X		X
Digital Solicitors		X		X			
Other Third-Party Solicitors	X			X		X	
Online Advisor Listings		X				X	X
Third-Party Review Sites			X			X	
Webinars			X		X		
Seminars			X	X	X		
Client Appreciation Events			X			X	
In-Person Networking		X					X
Social Media	X				X		
Writing a Book							
Writing for Third-Party Platforms				X			X
Blogging	X				X		
Newsletter	X						
Podcasts					X		X
Videos				X	X		
Sponsorships/Paid Advertising	X				X	X	
Media Appearances			X	X			
Search Engine Optimization	X		X	X	X	X	

Tailoring The Right Marketing Approach For Your Practice

Figure 6.2. Example Marketing Tactics By Budget

Practice with \$250,000 in Annual Revenue, Little or No Additional Marketing Budget			Practice with \$3 Million in Annual Revenue, \$50,000 Additional Marketing Budget		
Baseline Tactics Typically Already In Place:			Baseline Tactics Typically Already In Place:		
Client Referrals, Centers of Influence			Client Referrals, Centers of Influence, Online Directory Listings, In-Person Networking		
Additional Tactics	Hard-Dollar Cost	Advisor Hours	Additional Tactics	Hard-Dollar Cost	Advisor Hours
<ul style="list-style-type: none"> Online Advisor Directory Listings – list in all major directories that the practice is eligible for (e.g. Board’s “Find a Professional, NAPFA, or Fee-Only Network). In-Person Networking – participate in at least 2 networking events/month. SEO – optimize the practice web site for prospects searching for a local advisor. 	<ul style="list-style-type: none"> \$0-\$1,000 \$250-\$2,500 \$200-\$5,000 	<ul style="list-style-type: none"> 1-5 Hours/Year 2-4 Hours/Month 2-4 Hours/Month 	<ul style="list-style-type: none"> Educational Seminars – host events quarterly at minimum, with coordinated promotion through multiple to channels maximize attendance. Digital Solicitors – pay for leads through platforms such as Zoe Financial or SmartAsset. Integrated Content Generation – regularly release marketing content (at least 2X monthly) with promotion coordinated through SEO and social media. Marketing Support – hire or contract for part-time support to help with implementation and coordination. 	<ul style="list-style-type: none"> \$10,000-\$30,000 \$5,000-\$45,000 \$5,000-\$25,000 \$20,000-\$30,000 	<ul style="list-style-type: none"> 4-8 Hours/Month 0.5-5 Hours/Week 1-6 Hours/Week 1-2 Hours/Week
Practice with \$1 Million in Annual Revenue, \$10,000 Additional Marketing Budget					
Baseline Tactics Typically Already In Place:					
Client Referrals, Centers of Influence, Online Directory Listings					
Additional Tactics	Hard-Dollar Cost	Advisor Hours			
<ul style="list-style-type: none"> In-Person Networking – participate in at least two networking events per month. Content Generation – release monthly at minimum with specific type either written (blog posts or third-party article) or spoken (podcasts or videos) depending upon advisor preference. SEO – optimize the practice web site for prospects searching for a local advisor as well as optimize to make practice content for findable. Third-Party Review Sites – actively engage with online review platforms and encourage client participation. 	<ul style="list-style-type: none"> \$250-\$2,500 \$500-\$5,000 \$500-\$6,000 \$0-\$500 	<ul style="list-style-type: none"> 2-4 Hours/Month 1-5 Hours/Week 2-4 Hours/Month 1-4 Hours/Month 			



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