

Marketing Financial Products and Services to High Net Worth Individuals

By Kathleen M. Hosfeld

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As the number of households with \$1 million or more in investable assets continues to increase, financial services providers of all types are setting objectives to increase their affluent client base. Yet the critical success factors in programs to target the affluent often call for significant investments of time and energy.

What steps should you take to tailor your marketing to the high net worth customer?

Approach – Introductions by mail are more successful than by phone, but the approach must be highly personalized, not an obvious form letter. There is some secretarial screening to be overcome, but widespread warm response to personalized, signed, stamped letters. Some are receptive to highly targeted, well thought-out brochures – but they must be brief, direct, to the point. Given their high net worth status, these individuals receive many solicitations every week from telemarketers who all sound like they went to the same school. The main point is to differentiate your approach, and to demonstrate sensitivity and thoughtfulness.

Expertise – Many affluent individuals are skeptical about the ability of others to make better decisions than they do. Financial advisors must demonstrate superior knowledge and experience in their area. Prospects in their 40s are more likely to defer to recognized authorities; but prospects in their 50s are more likely to see themselves as the best judge. It is not necessary for an advisor to be an expert in all areas of service to the client. It is necessary for the advisor to be able to bring in specialized expertise seamlessly when it is needed.

Informed Decision Making – Few affluent individuals want to turn financial management or decisions over to another party. Many prefer to be educated as to the process and the choices in a time-efficient manner, and to stay in control of the decision-making process.

Access to a Wide Variety of Products – Many affluent individuals want access to the widest possible variety of products and product providers, rather than proprietary products. The intelligent firm may offer its own funds or products, but will also have the flexibility to go into the market and access any product the client may desire.

Holistic Orientation – High net worth individuals typically have complex financial profiles. Most advisors focus on their own functional area of expertise. The advisor who can integrate and coordinate different aspects of the client's situation – who can see to the implementation of recommendations – provides a valuable and rare service.

Seminars – The affluent generally eschew the typical marketing seminars many professionals use to get clients. The topics are often considered either too simplistic or simply not applicable. They are receptive, however, to seminars on topics that are tailored to their unique situation.



Newsletters – They give a similar response to the average advisor newsletter that they do to the typical seminar. They do value original research and publications of substance such as Kiplingers’.

Relationship with Advisor – The affluent value a strong bond of trust with their advisors, and turnover can be very touchy. They expect their advisors to act as their advocates. They also expect the advisor to actively suggest ideas or opportunities and make them aware of new products or services that may be of benefit to them. For the most part, age and gender of the advisor does seem not to matter, but affluent women may sometimes feel patronized by older, male contacts.



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