



Marketing Messages

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Marketing financial services offers host of 21st century opportunities

The successful marketing of financial services, investments and insurance is an area likely to get a whole lot more attention as the baby boomer bubble moves through the ages of 50 - 70 years. Although some institutions are firmly entrenched in historical views of this group, particularly concerning the ways to appeal to women, most have at least realized that there is a tremendous opportunity if they get it right.

In October, my company worked with **TNS Canadian Facts** to survey 1,200 people across Canada on the subject of financial services. We were interested in customer satisfaction, levels of investment research, decision-making responsibility and preferences in dealing with financial advisors. In this article I've considered baby boomer responses in particular, since the results hold some key insights to marketing to this group.

Satisfaction with primary financial institution:

Generally the older the respondent the more satisfied they were. Since wealth usually accumulates with age, this is good news for financial institutions. Overall 64% of Canadians and 70% of those over 50 were quite satisfied. However, that still leaves a dubious 30% of those over 50 wanting improvements. Take note; that could be a lot of wealth looking for a new home.

Frequency of doing your own research when making investment decisions:

Overall 52% of men and 47% of women said they always or frequently did their own research. Young women 18-24 and older women over 70 did the least amount of their own research. Only 36% reported always or frequently doing it themselves. 28% of both men and women 50-69 said they seldom or never did their own research. And 42% of women over 70 reported seldom or never doing their own investment research. Since there is a lot of wealth both accumulated and strategically dispersed after 50, there is a big opportunity gap for research and advice to this group. This is particularly acute for women over 70 who are likely to live well into their late 80s or early 90s.

Whether they are the SOLE decision maker of finances and investments:

Generally those 18-24 and those over 65 were more likely to be making decisions on their own, primarily because these are the age groups most likely to be single. 58% of women and 59% of men 50-69 reported being the sole decision maker, while 70% of both men and women over 70 years reported being the sole decision maker for finances and investments.

Whether they are the KEY decision maker of finances and investments for their spouse:

Generally men were more likely to perceive themselves as the key decision maker. 56% of males 50-69 and 77% of males over 70 years said they were the key decision maker for their spouse. However, 51% of females 50-69 and 66% of females over 70 years also reported being the key decision maker for their spouse. Perception is only part of reality it appears.

Preference of dealing with a financial services advisor:

Although gender and age didn't matter for the majority of people, for the 20% of the population who had some preference, generally age trumps youth, and women trump men. While the preference for both older male and older female advisors was the strongest, older females were the most preferred. 15% of males and 10% of females 18-24 preferred older women advisors. 17% of women over 50 also preferred older female advisors. Although young female advisors were preferred by 17% of males 18-24, the preference fell to 1% for women over 50. Young male advisors were the least preferred overall. "Older advisors certainly seem to have an edge," notes Raymond Gee, Senior Research Associate at TNS Canadian Facts, "but competence appears to be key." Well guys, it might be time to die those temples grey. And if you want to connect with baby boomer women, hire an experienced woman.

These insights start to provide a view into the touch points for baby boomer investors. As newly minted **Vancity CEO Tamar Vrooman** recently noted in the media, "There will be an unprecedented transfer of wealth as baby boomers age." Banks, brokers, and investment advisors need to get it right. Marketing their services properly to this group represents a huge opportunity.

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