



The Elite Adviser

INSTITUTIONAL STRENGTH INTELLIGENCE

The pursuit of excellence demands groundbreaking practices, acute insight and expert skills. Backed up by decades of rigorous study and practical application, the industry leaders at CEG Australia deliver precisely the tools and strategies you need to reach the elite level.

The Client Loyalty Payoff

In first part "**Keep Your Clients for Life**", we discussed the six secrets of client loyalty: character (the personal qualities clients seek in an adviser), chemistry (truly connecting with clients), caring (a genuine concern for clients' well-being), competence (being smart, technically capable and a leading expert in your field), cost-effective (delivering true value) and consultative (creating a relationship with clients based on their unique needs).

We now turn to what client loyalty means for your bottom line. Research by Russ Alan Prince, senior managing principal of our USA partner CEG Worldwide, has discovered a clear link between client loyalty and adviser success. The study surveyed 1,417 wealthy individuals, segmenting them into three distinct groups: moderately satisfied, satisfied and loyal clients.

Not surprisingly, loyal clients were much more inclined to give additional assets to their financial advisers to manage. In fact, loyal clients gave an average of US\$376,000 each to their primary financial advisers in the previous 12 months - an amount more than 22 times greater than that given by moderately satisfied clients.

Nearly all the loyal clients surveyed (94.4 percent) were extremely or very likely to give their primary financial advisers more assets in the coming 12 months. In contrast, just 33.5 percent of the satisfied clients and 13.4 percent of the moderately satisfied clients planned to give their primary financial advisers more assets to invest.

With new assets flowing in at this rate, it's clear that advisers with loyal clients can enjoy substantial year-on-year growth in their incomes - concentrating their time and attention on existing clients and spending far less time on prospecting.

Advisers who succeed in building loyalty enjoy another important perk: qualified referrals. In the previous year, loyal clients provided on average 11.8 referrals for qualified prospects. Moderately satisfied clients provided almost none - just 0.1 on average.

Despite the significant rewards of client loyalty, relatively few advisers are actually creating it. Only about one in every seven clients (13.8 percent) would be considered loyal. Nearly half of those surveyed - 46.9 percent - are classified as moderately satisfied.

Keep in mind that the clients in this study are not just average clients, but quality ones. That so few advisers have succeeded in building loyalty in these individuals provides a major opportunity for you to grow your business by serving these clients well.