

The mass marketing of financial planning

By Dana Lacey, Financial Post March 9, 2010



Sun Life Financial has partnered with the Weather Network to remind listeners to “spring ahead” with a solid plan for the future. Four times a day, the network’s “sunny days” report reminds us that every sunny day this year is sponsored by Sun Life.

Photograph by: Chris Rank/ Bloomberg News,

It’s daylight savings this week -- brought to you by Sun Life Financial. At least that’s what the newest marketing strategy from the financial giant will have you believe. The company partnered with the Weather Network to brand the event that launches Canadians into longer, sunnier days. Ten-second commercials remind listeners to “spring ahead” with a solid plan for the future. Four times a day, the network’s “sunny days” report reminds us that every sunny day this year is sponsored by Sun Life.

The economic downturn, along with the promise of a long recession, has paved the way for mass marketing in the financial planning industry. Banks and financial institutions like Sun Life are selling the idea that good advice has value. And that’s good for the entire industry.

“It’s been around for decades and decades, but only now are Canadians starting to hear about this service called financial planning,” said Rona Birenbaum, co-founder of Toronto-based financial planning firm Caring for Clients. In the early days, larger financial institutions like banks never used to talk about big picture planning.

“But they looked at the competition -- people like me -- and our relationship with clients. Now they’re doing mass-market advertising about the importance of having a financial plan. They finally figured out that serving the broader needs of a client is the best way to get client loyalty.”

Ms. Birenbaum welcomes the competition.

“Their advertising helps [firms like] us, because it creates a greater awareness that this kind of service exists.”

She has worked as an independent, fee-only advisor for 15 years. “It was tough at first, because Canadians aren’t very willing to write a cheque in return for pure advice. But it’s getting a lot easier to present what I do as a product in and of itself. There’s still not a lot of people, but there’s more now than ever.”

She credits the growth to a general fatigue about feeling 'ripped off.' The financial media has also helped to raise awareness about financial planning. “The media is a major source of financial information for Canadians,” she said. “It’s made them more open-minded about planning.”

“The market meltdown has really shocked the foundation of people’s trust in the experts, which I don’t think is a bad thing,” said Karin Mizgala, co-founder of the Women’s Financial Learning Centre (WFLC) in Vancouver. “We haven’t really changed how we market, but we’ve definitely ramped up what we’re doing. It’s not necessarily a function of the recession, which has actually been a real boon for the business -- it’s highlighted the need to take control of your own finances.”

Not that she recommends the average Joe Canadian become a DIY investor: rather, Mizgala wants to see people -- women in particular -- take the steps to understand their financial future and engage in an open conversation with an advisor. “In my 25 years in the financial services biz, I’ve never experienced the level of tension about money I’ve seen in the past year,” she said. “People are angry, they feel violated. But they don’t know what to do about it.”

Unlike the more extensive reach of organizations like Sun Life, WFLC (a two-person organization) markets mostly to mid-income, professional women in the middle stages of life. “The thing about marketing to women, especially on a topic that’s caused so much anxiety and avoidance behaviour, is to actually allow them to see and touch us. We have online programs, but most people prefer to have some experience in person as well. And then they tell their friends about us.”

WFLC just hired two professionals--a writer and a designer--to recreate the website (womensfinanciallearning.ca). They're also bringing on a PR expert. They've been promoting their literacy classes both online and off, including a site for mothers (yoyomama.ca), online newspaper The Tyee (thetyee.ca) and a new Vancouver magazine called Financial Diva, by providing advertisements, columns and interviews with the financial press.

Larger institutions are also shifting away from the more traditional print marketing to increase their online presence. Sun Life Financial's television ads urge Canadians to "take action" and direct them to sunlife.ca and their new "Advisor Match" program, which offers customers a free customized search for an advisor that fits your personal profile. "All of our consumer research led to the same question from Canadians: 'How do I begin?'" says Lori Bak, vice-president of marketing at Sun Life Financial. "Sun Life has 3,000 advisors across Canada to choose from. So we wanted to make it easier for people to find the right one."

Sun Life targets people aged 30-70 with marketing specific to different life stages. In an effort to reach out to young people, it has launched a daily blog, along with several social media campaigns, including a Facebook page and a series of short YouTube videos produced with Second City comedians. It's even bought billboard space in video games like Madden NFL 10.

Will all the effort encourage more Canadians to hire advisors? The Federal government has taken steps to invest in a more financial-savvy future: Finance Minister Jim Flaherty created a 13-member Financial Literacy Task Force last June. The \$5-million task force is currently conducting a cross-country fact-finding mission, on the search for ways to harmonize the myriad literacy groups and raise awareness of the dangers of financial ignorance. They hope to develop financial lessons for schoolchildren, including a standardized financial literacy test.

Of course the effectiveness of the Task Force remains to be seen. Meanwhile, check out Sun Life and Second City's "Don't go it alone" video on YouTube for a great example of the follies of amateur investing.

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