

Online video an effective way to reach clients – June 2010

Alan Rae uses short, lively clips to tell clients about new products, wish them a happy birthday and keep them engaged

By Megan Harman

In an era of YouTube and personal video recorders, Canadians have a growing appetite to consume information in a form that's concise, entertaining and adaptable to their own schedules.

Alan Rae, vice president and director with RBC Dominion Securities Inc. in Vancouver, has customized his client communication strategy to feed this appetite. Rae uses videos to communicate with clients. When he wants to get a message out to all his clients at once — whether it's about a major market event or the launch of a new product, for instance — he produces short videos in which he discusses the topic, and posts them on his website. Rae then immediately emails the link to all 300 of his client families, who can watch the clips at their leisure.

"It's a very effective way of communicating with a lot of people quickly," Rae says. "It's compelling and it's powerful, and it's the thing of the future."

Videos are a key part of Rae's broader communication strategy, which also includes monthly newsletters that are distributed to clients electronically. He considers proactive and innovative communication a critical way of keeping his clients engaged.

"We communicate with our clients very effectively," says Rae, who believes his communication program is a major reason he receives a high volume of referrals.

"This past year and a half, I've had more referrals than I've had in 32 years," Rae says, "and that's because we spoke to our clients all the time during the downturn."

Rae, who turns 60 this year, was born and raised in South Africa. After finishing high school, he worked in the financial services industry in Zimbabwe for five years before coming to Canada in 1976. He has since become a fellow of the Canadian Securities Institute, and has earned the CSI's chartered professional strategic wealth designation.

Since Rae joined DS more than 30 years ago, his practice has grown to include \$300 million in assets under management. The practice targets affluent clients who are typically at least 50 years of age.

Rae's team consists of a senior associate, a financial planner and an administrative assistant, along with several wealth-management specialists who offer expertise in such areas as insurance, retirement planning and wills and estate planning. The team works together to provide clients with comprehensive financial planning services.

"We try to offer a wealth-management platform that encompasses everything," Rae explains.

Rae began producing videos for his clients about 10 years ago. Each video is narrowly focused and brief — about one to two minutes in length. Rae can create and post a video on his website in as little as an hour. He simply writes a script, has it approved by his compliance department and then heads to a video production agency called Congo Communications, which shoots and edits the videos for him.

Some of Rae's recent videos have covered such topics as an introduction to the tax-free savings account, an overview of the benefits of individual pension plans and a commentary on the market volatility during the recent financial crisis.

Rae has received lots of positive feedback from clients regarding his videos. They prefer watching a short video to receiving a few pages of text.

"People are compelled to watch a video," Rae says. "They really view it as being a very positive and proactive way of communicating."

The videos are also effective in prompting clients to come see Rae on a regular basis. Videos that promote products or savings vehicles, for instance, often entice clients to schedule a meeting with Rae to find out more.

"It sparks an interest," he says. "We've sort of teased them, and then they come and sit down and we talk about it."

Rae also uses videos as a marketing tool aimed at prospective clients. His website features videos that provide an overview of his wealth-management approach and introductions to each member of his team. He finds prospective clients have a sense of familiarity and comfort when, coming in for the first time, they recognize his associates from the videos.

Videos are also ideal for special occasions, Rae says. Instead of clients receiving cards on their birthdays, anniversaries and holidays, they receive video greetings from Rae.

"People just love it," he says, "because many people today don't get cards anymore."

Rae can measure the effectiveness of his marketing efforts with the help of Congo Communications, which provides analytical reports showing the number of times each video gets viewed each month.

"We're able to see how effective we're being with clients," Rae says, "and the kinds of things people are looking at."

Similarly, Rae has hired a consulting firm to analyze the monthly newsletters he distributes. At the end of each year, the firm provides him with a written report with feedback and data identifying the most popular content.

Most of Rae's clients use the Internet and about 95% are now using email. And, since most of Rae's client communications are concentrated on his website, he places considerable importance on its maintenance. Overall, he finds the electronic communication strategy very cost-effective. A recent round of site upgrades cost \$2,000. And he can create two short videos for as little as \$250 — including a half-hour of shooting and editing. Analytical reports cost another \$250 in monthly fees.

Another strategy that Rae finds effective is holding client-appreciation events. He usually holds three large events at country clubs in Vancouver, featuring appetizers and wine and a presentation by a DS money manager or analyst.

Rae also holds more exclusive events annually, such as weekend spa retreats for female clients — each of whom can invite a friend — hosted by the female associates in Rae's practice.

An avid golfer, Rae also frequently holds golf events for clients. And he has met many new clients who share his passion for the sport.

"I tend to gravitate toward people who are like-minded," explains Rae, who also enjoys working with clients who share his love of travel. He finds that having clients with shared interests tends to provide opportunities to see them outside the office, which leads to closer relationships. It can also present opportunities to meet other like-minded prospective clients who move in the same circles.

Says Rae: "It's just a unique way of prospecting."

Rae has been involved in such charitable organizations as the Zajac Foundation, which operates a ranch in British Columbia for children with serious illnesses and disabilities; and KidSport Canada, which helps financially disadvantaged children play organized sports.

"To be able to give back is great," Rae says. "You certainly get the respect of the community, and you feel good about yourself."

Although Rae's full schedule would appear to leave time for little else, he also makes time to spend with his four children, who range in age from 18 to 30.

Rae offers these tips to help you develop effective client communications:

> When using electronic media, keep it concise. Urge clients to come see you for more details on a specific product or topic. "Many of these products are very complex and require at least an hour of discussion," Rae says. "What we do is we put it in front of people."

> Avoid bombarding clients with tons of emails, Rae adds. Clients will begin equating your material with spam, and may stop reading it altogether. Says Rae: "We use email as a privilege." I E