

How to Sell to Seniors

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Harry, an advisor, was able to secure an appointment with a mature couple who wanted to know more about protecting their assets throughout retirement. After chatting for a few minutes, the husband blurted, "What is this about?" as he held up the mailer that led to the meeting in the first place.

Harry proceeded to explain that without a good trust, the government would take most of the couple's assets through probate and the lawyers would get the rest. The husband kept asking questions and Harry kept answering. When Harry tried to close on moving the prospect to talk to an attorney partner who did trusts, the prospect said he would think about it.

Have you experienced this scenario? Do you sense that prospects sometimes seem suspicious and unwilling to take the next step? Would you like to create an edge in increasing your closing rate? If so, read on. You are about to discover:

1. What seniors really want
2. What worries them the most
3. How seniors think

What do seniors really want?

In a recent Forrester research study, it was shown that your senior clients want three things from their relationship with you:

1. They want to understand what they are buying.
2. They want someone to be in control of their investments rather than feeling as though they've been abandoned.
3. They want frequency of contact.

This means if you haven't kept in contact with your senior clients over the last three months, you not only will be unable to gain referrals, but unable to gain more of their assets as well. According to the one McKenzie consulting study, 50 percent of seniors are considering changing their financial advisor.

As you make these three-month phone calls, remember that seniors are most worried about three things in their financial life:

1. Running out of money before they run out of life
2. Probate or the government getting their money instead of their heirs
3. Market and investment volatility

The more you can address these worries, the more loyal your clients will be. This makes sense when you consider that empty-nesters and mature adult couples 55 and older have more than triple the investable assets of any other demographic group. It is also shocking that according to Harvard Studies, the average American household has only accumulated \$29,000 for retirement. While many experts report that in order to live at 80 percent of pre-retirement lifestyle, they will need 10 to 14 times their annual income in retirement investments. It is your duty to guide them through the swamp of insecurity and uncertainty.

Gaining referrals from seniors

Top producers like Rick Martin, CSA, contact their senior clients every three months. These advisors employ a technique called “Catch up, Update and Referral.”

1. Catch up with the senior emotionally. Make sure he feels confident that you care about him and his retirement. Catch up on his new grandkids, hobbies and recent travel.
2. Update them on their investments. Even if all they have are annuities, let them know how their investments compare with indexes. Let them know about macro-economic events like why gas prices are going up and why real estate prices may be slowing. Just because they are senior citizens doesn't mean they aren't interested and curious.

Also look for new money. Ask if there have been any changes in their financial life in the last three months. You should be able to find new assets at least 25 percent of the time.

3. Referral. This is an important stage. If you keep in contact with your senior clients every three months, you will gain referrals on every call. Referrals are given when clients receive value from your relationship. Value doesn't just mean high returns; it also means a sense of commitment that you care and are working for them. First tell them what you have accomplished in the last year for your client. Be specific. For example, “So far this year, your assets have increased 12 percent with virtually no risk. We were also able to save \$6,000 in taxes.” Then get them to confirm the value. “How are we doing for you so far?”

When they say great, ask for the referral. Say something like, “Who do you know who could benefit from the kind of relationship we have had so far?” You should plan on getting two referrals from every request. In one study, 70 percent of seniors said their financial advisor relationship was the result of a recommendation from either family or friends. If you can't get at least two referrals per client, you need some work.

What seniors value

The mature generation is defined by World War II, the Great Depression, stock market crashes and FDR's funeral. Pre-retiree baby boomers are defined by suspicion of government due to the war in Vietnam, a sense of entitlement to prosperity, an expectation of constant investment returns and the assassination of JFK.

The mindset of a senior is of self-sacrifice for their kids, and grandkids, if necessary. They have respect for government and authority. They are also characterized by a sense of thrift and frugality that often borders on caution. Pre-retiree boomers are to a great degree narcissistic and focused on themselves so much they will continue in retirement to explore their inner self. They distrust authority — especially the government. Their goals often are to control stress to simplify their life, and look for shortcuts to investment returns without spending time to do the hard work.

Seniors' favorite hobbies are gardening, travel and spending time with grandkids. Pre-retiree boomers are focused on fitness, psychological expression (finding themselves), and planning for the kind of life they want during retirement.

Now that you have a better idea of how they think, you also may want to know how to communicate, as well as how to make them more comfortable in your relationship with them. Here are some tips to close more sales with senior and pre-retirees:

1. Turn up the heat a little since they tend to be cold more often.

2. Get rid of yellow in your letterhead, office and notepads since this will irritate the retina of a 55+ adult.
3. Print any materials you give them in at least a 16-18 point text that will be easier for them to read.
4. Offer cookies and coffee to set them at ease.
5. Speak louder and slower to make sure they comprehend the message.

Selling to seniors is all about relationships, rapport and trust. If you see them based on a referral, your sales will occur 35 percent faster. On a cold-call basis, they will at first be suspicious. So if you have to see them without a referral, just focus on asking questions during the first meeting. Xerox research has shown that if you can uncover one need a sale will occur 36 percent of the time; two needs result in sales 56 percent of the time and three or more needs will set the stage for a sale 100 percent of the time.

If you use these techniques, your sales to seniors will go up and they will be your clients for life.