
Want more referrals from clients? Prudential white paper explains how

By Editor Test Mon, Aug 5, 2013

Clients were likely to refer people to advisors who “set realistic expectations about investments returns,” “delivered on what was promised,” “achieved strong investment performance” and “disclosed their fee levels.”

How long does it take an advisor to inspire referrals by clients? On average, advisors say that it takes a little over two years. But according to clients, it takes an average of almost five years.

That’s according to a new Prudential Financial white paper, “[Referrals: A Matter of Trust](#).” The study was based on data collected in 2011 from 800 clients and nearly 400 advisors.

The paper also shows that clients are generally willing to make referrals, with 56% of clients having provided referrals already and an additional 36% saying they would consider doing so.

Advisors whose clients were likely to refer them tended to rate high on certain characteristics, such as “setting realistic expectations about investments returns,” “delivering on what was promised,” “achieving strong investment performance” and “disclosing their fee levels.”

Clients were also more likely to recommend clients who provided them with a written financial plan, who advised them on generating steady retirement income and preserving and protecting savings. “Firm stability” and “expertise” were also advisor characteristics that correlated with a tendency to refer. Advisors who had long tenure at their firms were also more likely to be referred, as were advisors who could draw upon “in-house” expertise to assist with unique planning issues, such as advanced tax planning or health care.

Advisors who are accessible, listen well, ask questions to fully understand their clients’ needs and take actions based on what they have learned were significantly more likely to receive referrals, according to the study.

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