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By Michael Lovas

## Mind Power

By Michael Lovas

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### Mind Power

Michael Lovas

*By creating a psychological profile of their ideal client, financial advisors can attract more of the best*

If people were asked to name the most important element in any marketing program, most would say "the list," or prospects. That's a good guess, but wrong. There are really only a few possible elements: the list, the offer, the creativity, and the one that ties a marketing program together – the psycho

#### Using psychology in marketing and selling

Traditionally, psychology in marketing has been an assortment of behavioural characteristics and possessions. What do you know about someone who can afford a Ford? Not much. You sure don't know his values or decision-making strategy. This is the wrong approach to the kind of psychology you need to sell financial products.

Psychotherapists, on the other hand, gather data about how their patients process information. When you know how a person or a target market filters information, you can sell more effectively and create more successful marketing programs. This is because you'll also have an understanding of the type of language that appeals to people and how they make buying decisions.

Research conducted at Massachusetts Institute of Technology and at IBM shows that people with similar behaviour patterns also have similar language patterns. You broadcast your behaviour in the language you use. For face-to-face sales, you have to do is ask a few specific questions, note the language patterns and then use those same patterns when communicating with your prospects for marketing purposes, have that same conversation with your best clients and see what language patterns they have in common. This simple process gives you the ability to develop a "psychological-language profile" of the people with whom you

you most want to do business.

With a psychological-language profile of your specific target market, you will know what specific language patterns your target market uses. Those language patterns are directly related to specific behaviours as well as decisions your target market consistently makes. When you use those language patterns in your marketing, you will accomplish four things more effectively:

**1. Rapport.** You'll actually build rapport in your letters and brochures. This is almost unheard of, but it's possible. Rapport leads to liking, which leads to trusting, which leads to sales.

**2. Agreement.** By knowing what behaviours your target market engages in, you can construct statements that are obviously true. Psychologically, when you get potential clients to agree three times to something that is obviously true to them, you can then lead them into accepting a fourth thing that is new to them.

**3. Involvement.** Your chosen target market needs information to be structured in a certain way in order for them to be interested in it. By structuring your letters, newsletters, and brochures in that particular way, you increase the chance they will get involved in what you want them to know.

**4. Influence.** A psychological-language profile gives you a link to the buying behaviour of your target market; it shows you clearly what words will influence those people. When you build rapport and engage the people with a presence of information that interests them, you can actually motivate their behaviour.

#### **Practical application**

When you develop a psychological-language profile of your "A-level" client, you will see how to approach them more effectively. For example, you'll know it should:

- include testimonials – or not;
- use action words or contemplative words;
- -give a step-by-step procedure, or just list the various options available;
- -speak in "avoidance" language or "maximization" language; and
- -send a letter and then follow-up with a cold call – or not.

#### **The questions to ask**

How do you develop a psychological-language profile? Simply have a conversation with your best clients. Ask some specific open-ended questions and make note of the answers. You will get a picture of how their mental filters are configured.

There are about 60 mental filters, so this is a rather substantial body of work. About one dozen of the filters are relevant to your work. The good news is that there are some specific questions you can ask. The bad news is that the questions are meaningless if you don't know what to listen for in the answers. The real answers are not necessarily in the content your client will give you; they are in the structure and patterns of the answers. That said, here are two of the most important questions and an explanation of the answers. To develop a profile, just ask your best clients the following questions and write down their answers.

**Question one: "What are the most important things in your life?"** This is a valid question if you're presenting a life product, or helping a client with estate

planning or financial planning. If this is your intention, then your products and services will affect the prospect's entire life, not just a small portion of it. Therefore, you need to know what the prospect values, what drives him or her, how he or she works, and where he or she derives the greatest satisfaction. Is it family? Education? Financial security? Freedom? Accomplishment?

Interestingly, the answer rarely includes the word "money." As your client responds to his or her answers, make note of them. They are the reasons your prospect becomes your client, and your client will become a loyal advocate. These are the words that will motivate your client. See how many of the responses your clients have in common.

Do not change the words. If a client says "family," do not paraphrase by using words "wife and children" instead. Write and use his words exactly as he gives them to you. In a sales conversation, use them often throughout the conversation.

**Question two: "How do you know if someone is good at his or her job?"** You could ask, "How do you know if your accountant (or lawyer or consultant) does a good job?" Your prospect will answer in one of two ways. Simply, she may say, "people tell me..." or "the profit and loss statement tells me," or "...if the results are good..." Or, she'll say something like, "I just know." Chances are your client won't use those exact words; she may tell you a story. Whatever the response, listen for the essential elements. Either someone else tells her, or she knows within herself that someone is good at his job.

If someone else tells her, that means she trusts external sources like reports, research, and data. In your marketing approach, you could use endorsements, testimonials and you could make recommendations. However, if she claims to know or to decide by herself, that means she trusts internal sources – herself or no one else. In that case, use the exact opposite approach. Give her the opportunity to make the decision on her own, and don't break out the testimonials or make recommendations. Simply say to her, "Only you can decide. Here's the information you need to make your decision. Now, it's up to you."

Before you can use psychology in your marketing, you have to define your clients. You need to know who your best clients are and then develop a plan to reach those people. Find out what they have in common. Your A-level clients will have a different profile from most other groups of A-level clients. This is because they communicate differently from other advisors, and you possess a different set of values. These things are important to people who decide to do business with you.

Can you see the difference between psychological and traditional direct marketing? If you understand whom you want to attract, you can write a letter that attracts exactly those people. If you don't know whom you want to attract, you become like a ship without a captain. This forces your message to be general, making it ineffective in targeting a specific group of people. If you don't aim for a certain port, how do you know when you've arrived?

Picture your best clients. They all have one thing in common – their psychology. They think alike and make decisions in the same way. In them you have a level target market, and it's one you can influence and motivate. Developing a psychological-language profile of your best clients, however, is the key to taking your business to the next level.

**Michael Lovas** is the president of About People and the author of two books using psychology in your business: *Beyond Wave Marketing* and *Face Value*. He also delivers seminars and keynote presentations in Canada and the U.S. For more information visit [www.aboutpeople.com](http://www.aboutpeople.com) or contact Michael directly at [michael@aboutpeople.com](mailto:michael@aboutpeople.com).

## SIDEBAR 1

### Case Study: Psychology at work

About People is a psychological marketing firm based out of Dallas, Texas. Their clients (let's call him Ron) sell term life. Ron hired About People to design a one-time mailing based on psychology.

Traditionally, you'd find postal codes where middle-income people lived and send them a self-mailer built around guilt or tax avoidance. What's wrong with that? No psychology. To get a better response, you have to use psychology. In particular, you have to know how your chosen target market's mental filters are configured. How do they make decisions? How do they need information structured? What motivates them?

About People conducted interviews to determine the profile of the type of person Ron was trying to attract. With that profile, they had a good idea of the words, phrases, and language structure that would appeal to Ron's target market.

There are many obstacles in traditional direct marketing that would typically prevent Ron from getting his message across. Adopting a psychological approach, however, can help overcome some of those difficulties by providing the following solutions:

**Obstacle 1:** Skeptical people. When you're a stranger, people are reluctant to open your envelope or read your message.

**Solution:** Make the message so powerful that the reader doesn't care who you are. Seek to gain their trust. Tell readers several things that were obviously true. This is called a "truth frame," and it gets people leaning toward trusting you.

**Obstacle 2:** Not interested. Who wants to read about term life anyway? Most people simply refuse.

**Solution:** When most people don't want to read about your product, do two things: find the ones who do and find something they want. The psychological profiling of the target market revealed that the readers were interested in products just like almost everyone who inquires about term life insurance. Hence, the mailing was created with a view to saving the potential client money.

**Obstacle 3:** The envelope. The hardest job of direct mail is to get people to open the envelope. How can you get people to do this when the message comes from a stranger and contains a subject about which most people don't care to read?

**Solution:** Don't use an envelope. In Ron's case, an oversized postcard went out instead. With a postcard, there is nothing to open and the message enters a person's mind immediately. The psychology of reading teaches us that just looking is the same as reading, especially when the headline is written correctly.

#### **How did it work?**

The postcard generated 1,300 responses and, had the program been a set of postcards instead of just one, Ron possibly could have seen an additional 100 percent response.

The program was successful for a number of reasons:

1. The mailer spoke to the recipients in the psychological-language pattern reader.
2. It appealed to the readers' actual expectations – not what Ron wanted them to know.
3. It was based on a psychological-language profile – not on mere facts and features.
4. It included a great deal of sophisticated formatting to ensure that anyone picking up the postcard easily got the message and was guided from point to point.
5. It presented a procedure. Most people buying a product in an unfamiliar situation require a procedure to follow.
6. It limited the message to only one major point.

## **SIDEBAR 2**

### **The Client Fit Test:**

#### **Finding your ideal clients**

In order for advisors to attract "A-level" clients, they must first have an idea of the characteristics that appeal to them. While almost all financial advisors build their book of A-level clients, determining whether a potential client is a "good fit" or "bad fit" is not always easy. To help facilitate a client acceptance procedure for advisors, Polstra & Dardaman, LLC, a wealth management firm from Atlanta, Georgia, developed the Client Fit Ratio System for the financial planning and investment advisory industry.

The system enables firms to develop criteria for client acceptance relative to their ideal client characteristics, which will vary from firm to firm. According to the creators of the system, advisors want clients with a high correlation to their own. Otherwise, the expectation gap will produce tension in the client-advisor relationship.

Once the criteria for the ideal, core, or A-level client is established, a firm can implement its own fitness tests to help advisors determine if a potential client correlates with the type of client they want to attract.

While the criteria will vary from firm to firm, Polstra & Dardaman's criteria for an ideal client consists of the following characteristics:

- available investment resources;
- desire and ability to delegate;

- reasonable expectations; and
- personality/chemistry.

Polstra & Dardaman encourage financial advisors to adopt a client fitness i  
their firms. For more information, contact them at [www.pdlc.com](http://www.pdlc.com) for an ou  
the Client Fit Ratio System.

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350 Bloor St. E, 2nd Floor, Toronto ON M4W 3W8 Tel: 416.444.5251 or 1.800.563.5822  
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