



AMPLIFY
REVIEWS

The State of Testimonial Marketing FOR **FINANCIAL ADVISORS**

A report examining testimonial usage among the top 100 RIAs

2024

The state of Testimonial Marketing in 2024 for RIAs

The SEC Marketing Rule has been in effect since November of 2022, and one of the most meaningful changes it introduced for financial advisors is the ability to leverage testimonials in their marketing efforts.

Other industries have demonstrated that social proof is immensely influential in consumer decision making, and perhaps the most powerful format for social proof is customer/client testimonials, often in the format of online ratings and reviews.



So now that a year and a half has passed since the new regulation was put in place, we were curious:

- How many advisor firms are taking advantage of this powerful marketing opportunity?
- And for those who are embracing testimonials, exactly how are they doing it?
- Read on to find out.



Approach

Examining the Top 100 RIA firms

The approach for this report was straightforward. We started with a popular list of the top 100 independent RIA firms and searched for each one on the internet in much the same way a prospect might. We then documented our findings on all types of client testimonials (ratings, reviews, and testimonials) found on both their own websites and any third-party websites.

Why these RIAs? While the top 100 RIAs may not perfectly reflect the trends for all financial advisors, we assume that most of these firms are growth-focused, and therefore should be interested in embracing any marketing tactics which would help them achieve their growth goals.

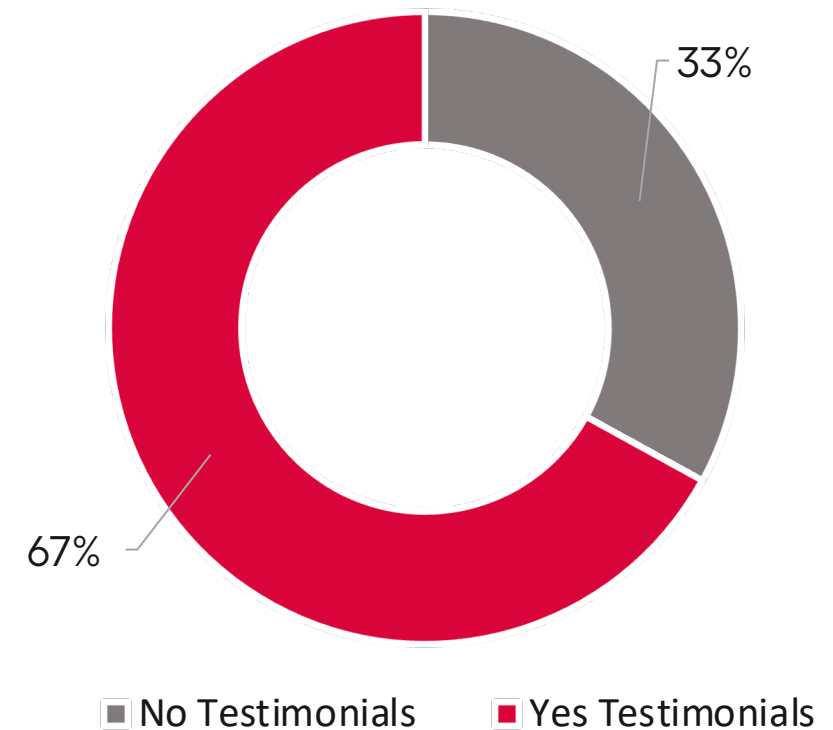
Note: None of these RIAs had any input during our research. It was our goal to discover what a prospect could find online if they were looking for client perspectives on working with specific advisor firms.

We've summarized our findings in the following pages.



Testimonials of any kind?

- **Finding:** 67 out of 100 RIA firms had some sort of client testimonial discoverable online.



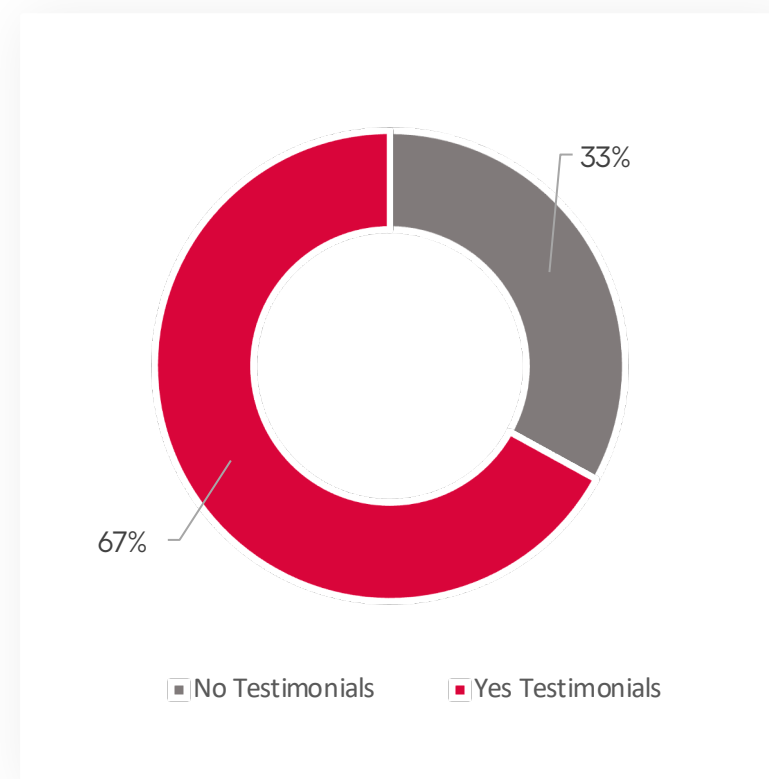
Analysis: Testimonials of any kind?

We know consumers want to know what other clients think of working with a given advisor/firm. If we take the broadest definition of testimonials, what percentage of these top 100 RIAs have any client testimonials online?

For this broadest question, ANY kind of testimonial counts. Specifically, we counted text testimonials found on the RIA's website, as well as online reviews found on sites like Google, Yelp, and other 3rd party sites. We would have also counted video testimonials, but we didn't find any.

It's important to note that for 3rd party reviews, the RIA may not have had any involvement in requesting the reviews from clients. Still, they're relevant to this study because any reviews that a consumer finds will influence their decision-making process when selecting a firm.

This 67% finding might lead readers to believe that a majority of firms have been taking advantage of the new opportunities afforded by the SEC Marketing rule, but that impression becomes less clear as we dig deeper.



Types and Sources of Testimonials



Findings:

- 59 have Google reviews
- 22 have Yelp reviews
- 26 have third-party reviews
- 2 have client testimonials on their own websites

Note: categories are not mutually exclusive

Note: excluded Indeed and Glassdoor

Analysis: Types and Sources of Testimonials

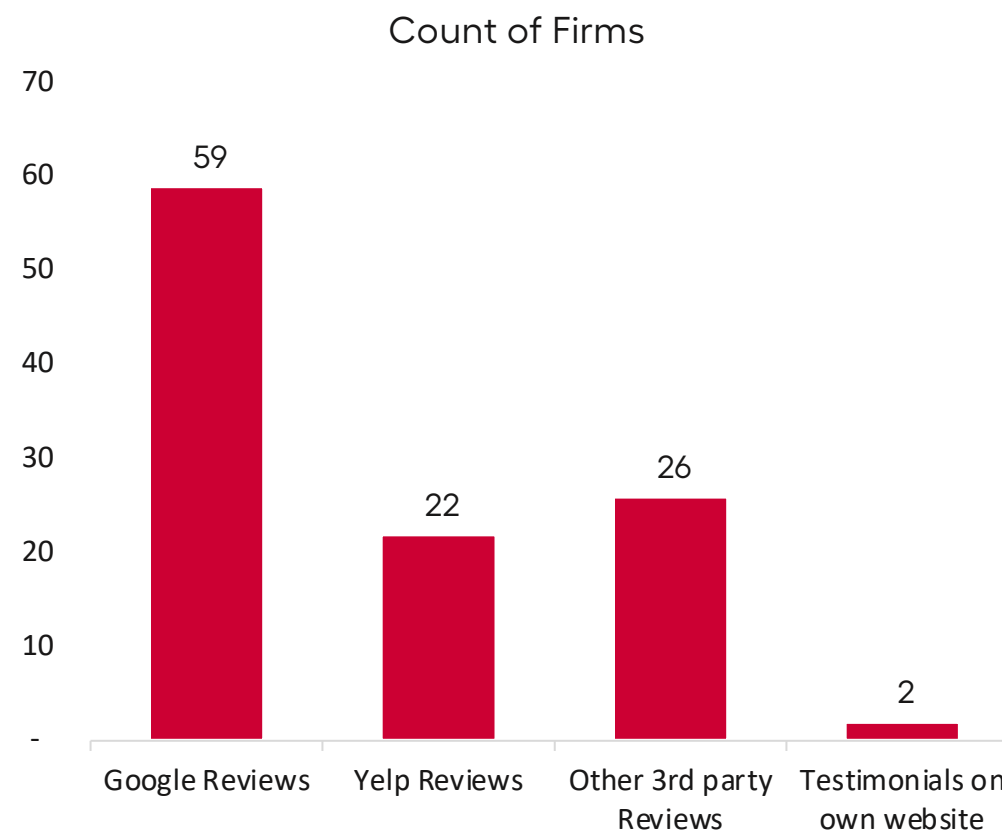
The leading source of testimonials by far is Google reviews. The second most popular source is Yelp, though all other third-party review sites collectively had about as many firms represented as Yelp.

Only two of the top 100 firms had any testimonials discoverable directly on their websites. One firm featured 20 testimonials (quotes) from clients, and the other had 16.

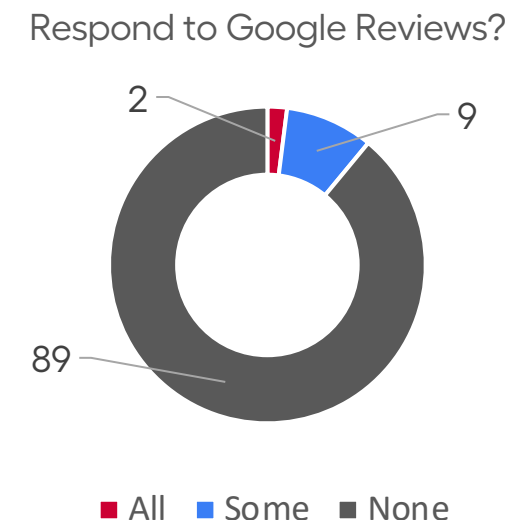
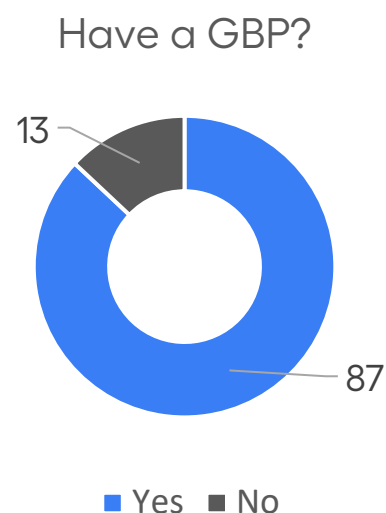
We will dig deeper into the breakdown of how these firms are represented on the third-party sites, but the first takeaway is that it is shocking that so few firms are directly leveraging testimonials on their websites even 18 months after the compliance deadline for the SEC Marketing Rule.

Note: these categories are not mutually exclusive, so one firm could be counted in the Google reviews and Yelp reviews buckets.

Note: Third-party review sites exclude Indeed and Glassdoor. These sites are intended for employees to review their employers. Consumers doing research on an advisor/firm could still be influenced by these reviews, but they belong in a different category than client testimonials.



Google Reviews: How do Firms Engage?



- **Findings:** 87 out of 100 firms have a (discoverable) Google Business Profile. 59 firms have at least one Google review. Only 11 firms respond to some or all of their Google reviews.

Analysis: Google Business Profiles



If a consumer is hoping to find client perspectives about an advisor or firm they're evaluating, Google is the most likely destination to show up. Let's take a closer look at what we can infer from these findings.

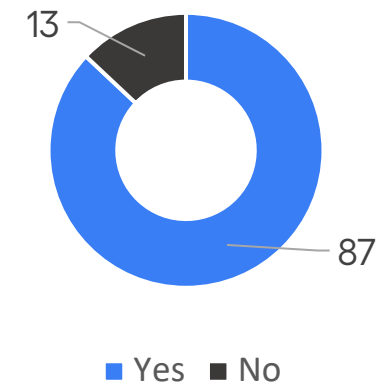
Do they have a Google Business Profile (GBP)? Formerly called "Google My Business," GBPs are the summary block of information about a business that shows up on the right-hand column in desktop search. Sometimes Google automatically creates these profiles from publicly available information, and sometimes businesses can request that the profiles be created for them.

In 2024, Google still has dominance over search traffic. In the US, they have over 86% market share of all internet search traffic (statcounter.com). As such, it is worthwhile to make sure Google has up-to-date information about your business to make it easier to "get found" when consumers are looking either specifically for your firm, or generally for the types of services you offer.

The SEC Marketing Rule is clear that there is no problem having a Google Business Profile created for your firm, and it is also clearly allowable to ensure that all information on a GBP is accurate and current.

From our queries, we found that 13 of the top 100 firms do not have GBPs (or that they aren't easily discoverable). The fact that fewer than 100% of firms have GBPs is surprising. It's relatively easy to make sure Google knows your business exists, and it significantly benefits your online presence to "help Google out" with this information.

Have a GBP?



Analysis: Google Reviews



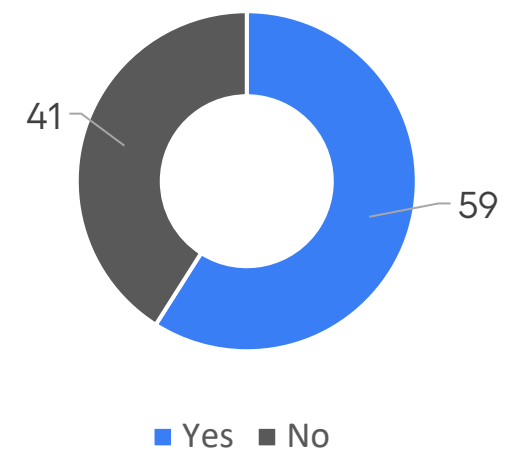
If a firm doesn't have a Google Business Profile, they cannot receive Google reviews. There's a chance that some of these firms have avoided GBPs in an attempt to avoid Google reviews, but that wouldn't make much sense. As mentioned before, Google can create a GBP whether a business wants them to or not.

So, the next question: of the 87 firms who do have GBPs, what proportion of these RIAs have at least one Google Review?

Our Finding: 59 out of 87 GBPs have at least one Google Review. That means 67% of firms who can collect Google reviews have received at least one.

As mentioned before, GBPs are open to the public, and anyone who wants to write a review can do so. That means that yes, clients can write reviews, but so can employees, competitors, former clients and random internet weirdos. There are a lot of implications to this structure, but we will address those later in this document.

Have ANY Google Reviews?



Analysis: Responding to Google Reviews

In most industries, responding to online reviews is a valuable facet of customer service. In today's internet age, both complaints and compliments can be made public through online reviews. If you want to project an image of strong customer service, it's a good idea to respond to every online review you receive (on websites where responding is an option).

In the Financial Advisor world however, the question is a little trickier as we must remain mindful of the regulatory environment - specifically the SEC Marketing Rule. Responding to Google reviews could be interpreted as adopting those reviews (and therefore becoming responsible for the compliance of the content of those reviews). Because this question of adoption is currently a bit of a grey area, there is a rational explanation why some firms would consciously choose to not reply to Google reviews. That's also why it's an interesting question for which to gather data.

Finding: 9 firms had responded to some of their Google reviews and 2 firms had replied to all of their Google reviews.

So, of the 59 firms who have any Google reviews, 18.6% have responded to at least some of their Google reviews.

There are two ways to interpret this finding: a) These firms think that projecting a good customer service image is important enough to risk the "adoption" concern of the SEC Marketing Rule, or b) These firms were unaware of that specific compliance concern.



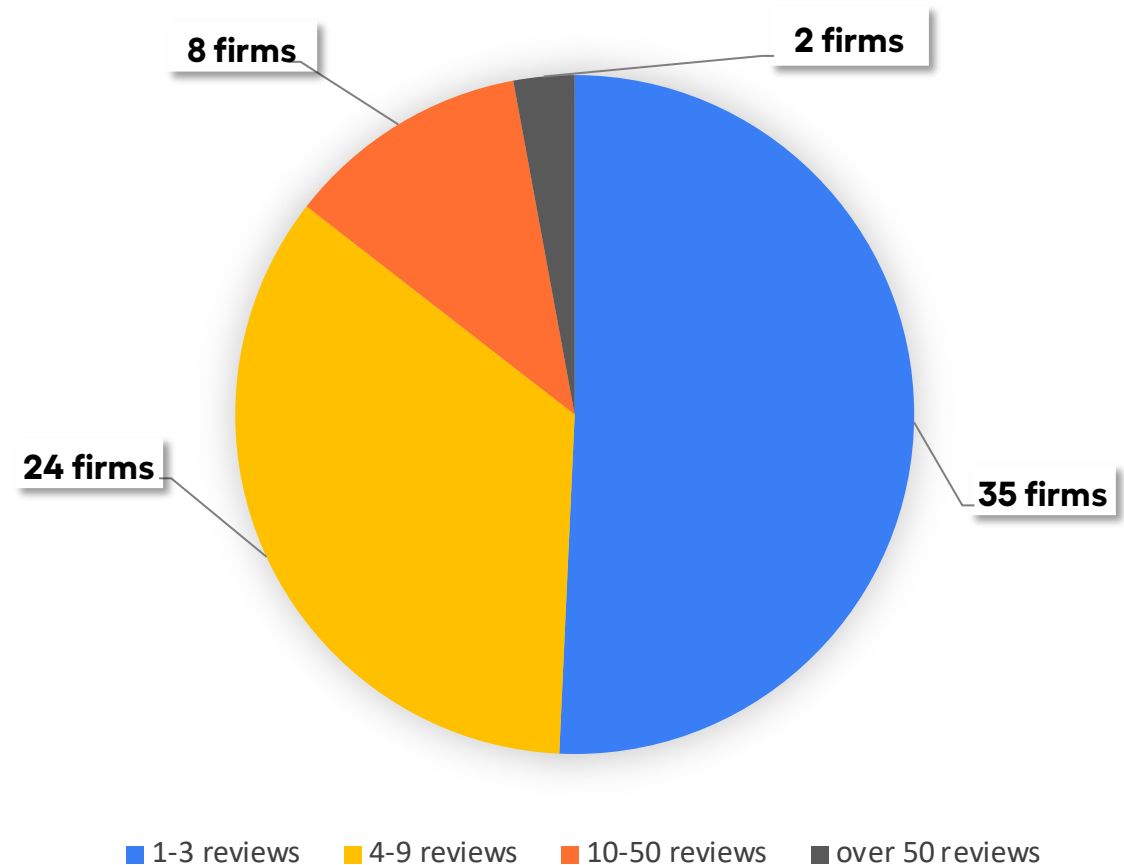
Number of Google Reviews

Findings:

Number of Google Reviews
(among firms with at least one review)

- Mean – 9.15
- Median – 3
- High – 206

Number of google reviews



Analysis: Number of Google Reviews

We know consumers seek out reviews, and that reviews wield a lot of influence over consumer decision making. We also know that in general reviews follow the rule “more is better.”

Knowing this, it’s interesting to see how many reviews each of these top RIA firms have, starting with Google reviews.

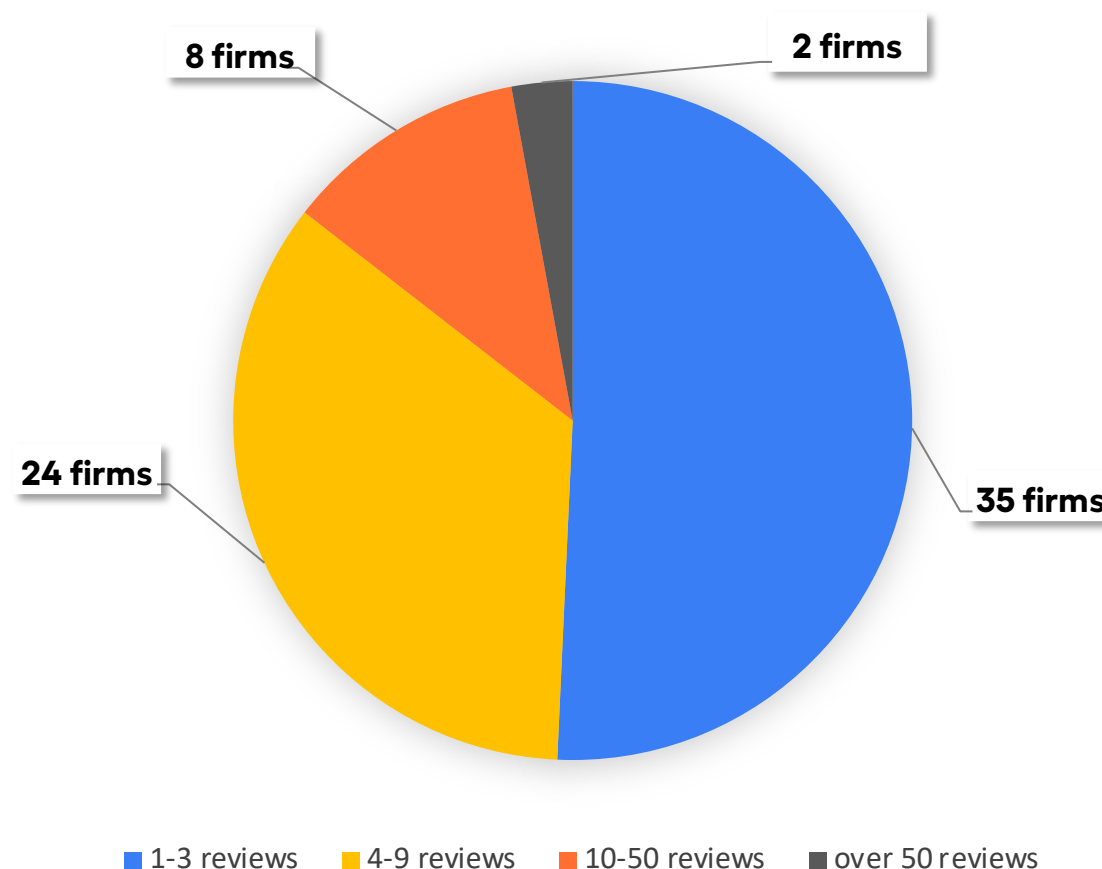
Finding: The average number of reviews (among firms who have any) is just over 9 reviews. However, the median count is just 3 reviews.

If we look at the distribution in the chart on the right, it’s easy to see that the majority of these top RIA firms (77%) have fewer than 10 Google reviews.

Since the mean number of clients for these firms is 20,000, and the median is 3,500 clients, it’s hard to imagine that any of them have taken a proactive role in generating these Google reviews (with the possible exception from the leader who has 206 Google reviews, representing 3.2% of their clients).

Stated differently, it seems highly likely that all these Google reviews happened by chance – with clients taking their own initiative to find their advisor’s GBP and leave a review.

Number of google reviews



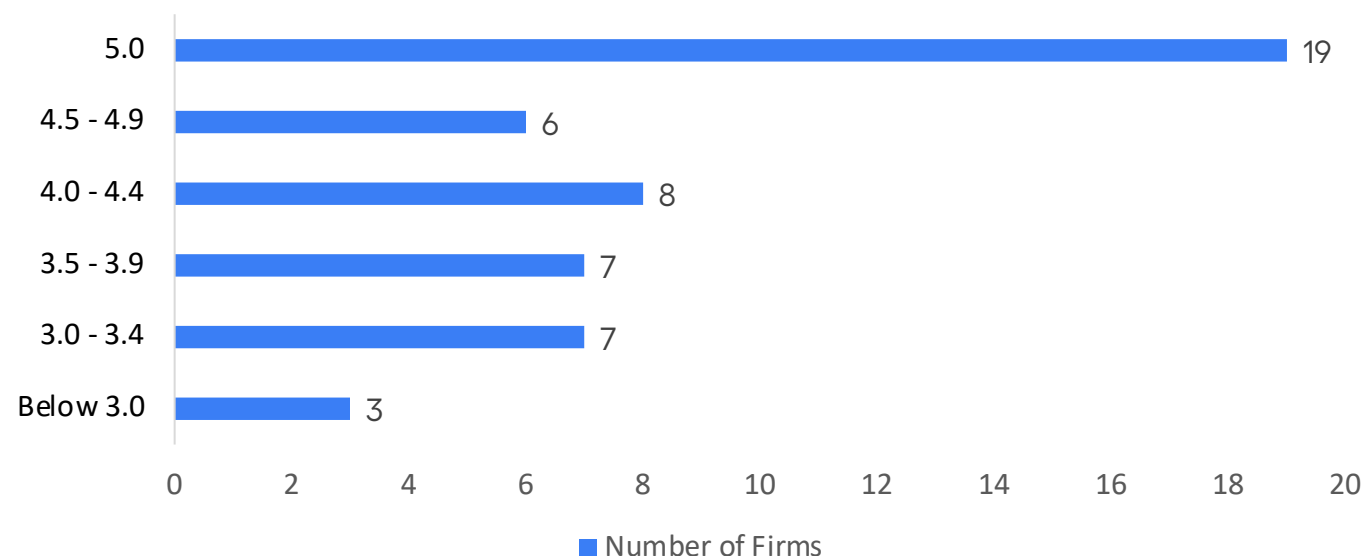
Google Average Ratings



Finding: The average Google rating among the firms who have at least two ratings is 4.2 stars. The median rating is slightly higher at 4.45 stars.



Average Google Rating



Analysis: Google Average Ratings

While more reviews is generally better, it is also tremendously important to know what is the average sentiment of the reviews. This is one of the advantages of using the “ratings and reviews” format – readers can instantly get a sense for what the overall sentiment is for the collection of feedback. Consumers also understand that the validity of that average is heavily influenced by the number of reviews found.

Although 19 firms have a “perfect” 5-star rating, the average number of reviews among that population is only 3.8, and that average is skewed by the leader which has 42 reviews.

Given our understanding that the median number of reviews is only three, the vast majority of these averages should be considered very “fragile” and easily changeable by even a small influx of new reviews.



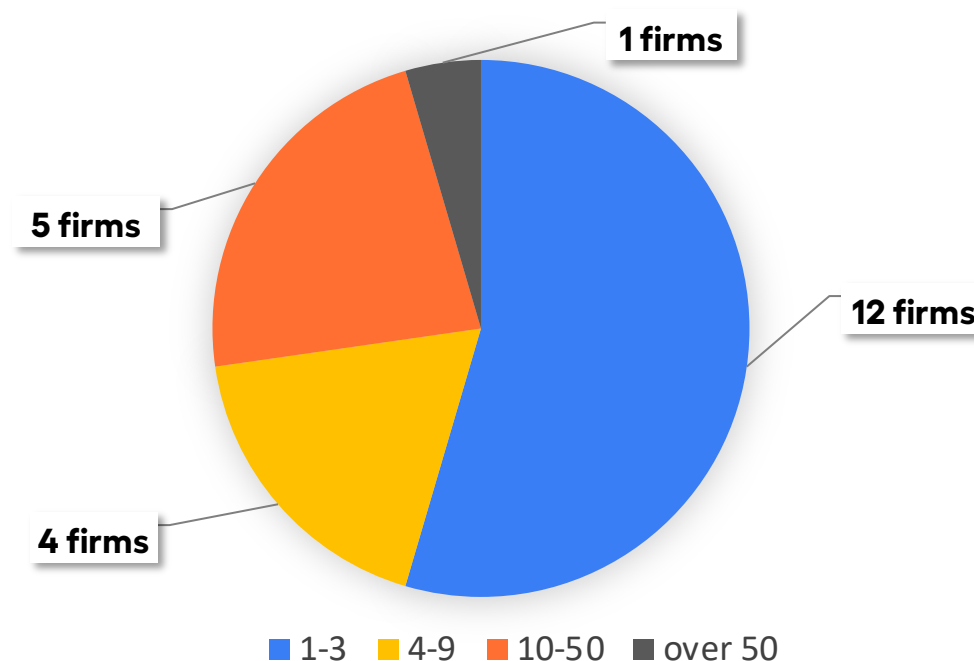
Number of Yelp reviews

Findings:

Number of Yelp reviews
(among firms with at least one review)

- Mean – 10.95
- Median – 2.5
- High – 77

Numbers of Yelp reviews



Analysis: Number of Yelp reviews

Like Google, Yelp can often create a profile for a business without involvement or consent from the business, and once a profile exists, anyone on the internet can write a review.

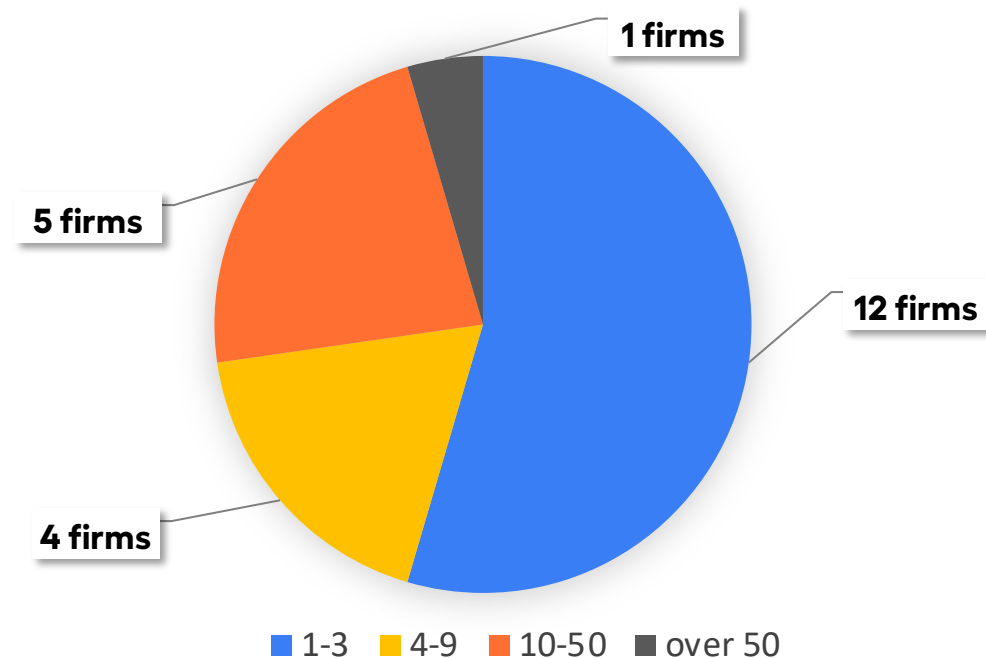
Yelp was found to be the second most prominent site for RIA firm profiles, and the destination with the second highest number of reviews for these firms.

Given the distribution of review counts, the median count of reviews is the best measure of “average,” and that number is 2.5 reviews.

Like Google, it seems likely that all these Yelp reviews happened organically – with clients taking their own initiative to find their advisor’s Yelp profile and leave a review.

Note: An additional 33 firms had at least one Yelp profile but did not have any reviews on that profile. Our research methods focused on the headquarters location for firms, but it’s possible that satellite offices also had Yelp profiles & reviews which weren’t included in this research.

Numbers of Yelp reviews



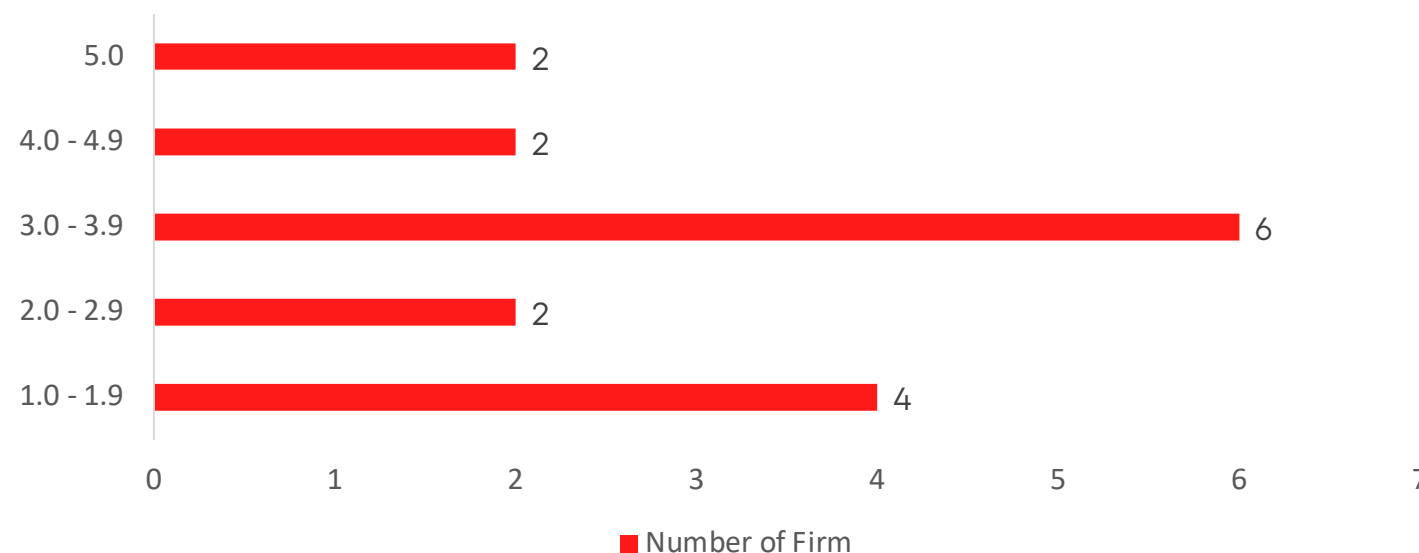
Yelp Reviews: Average Ratings



Finding: The average Yelp rating is 3.0 out of 5 stars for the RIA firms who have a Yelp profile and at least two reviews.



Average Yelp Rating



Analysis: Yelp Reviews Average Ratings

The low total number of Yelp reviews found for these RIAs suggests that, again, the RIAs have not taken an active role in encouraging clients to leave reviews.

When compared to Google, the average Yelp ratings tend to skew lower. This trend with Yelp has been observed in other industries as well, though the reason is not clear.

Both the mean rating and the distribution of average Yelp ratings skew significantly lower than the Google average of 4.3 stars, though given the low number of reviews, these average ratings would be very easily influenced by an influx of new reviews.

Still, by taking a passive approach towards their online reputation, many firms are likely harmed by these low average ratings, given the scarcity of other ratings/testimonial content available online to counter this narrative.

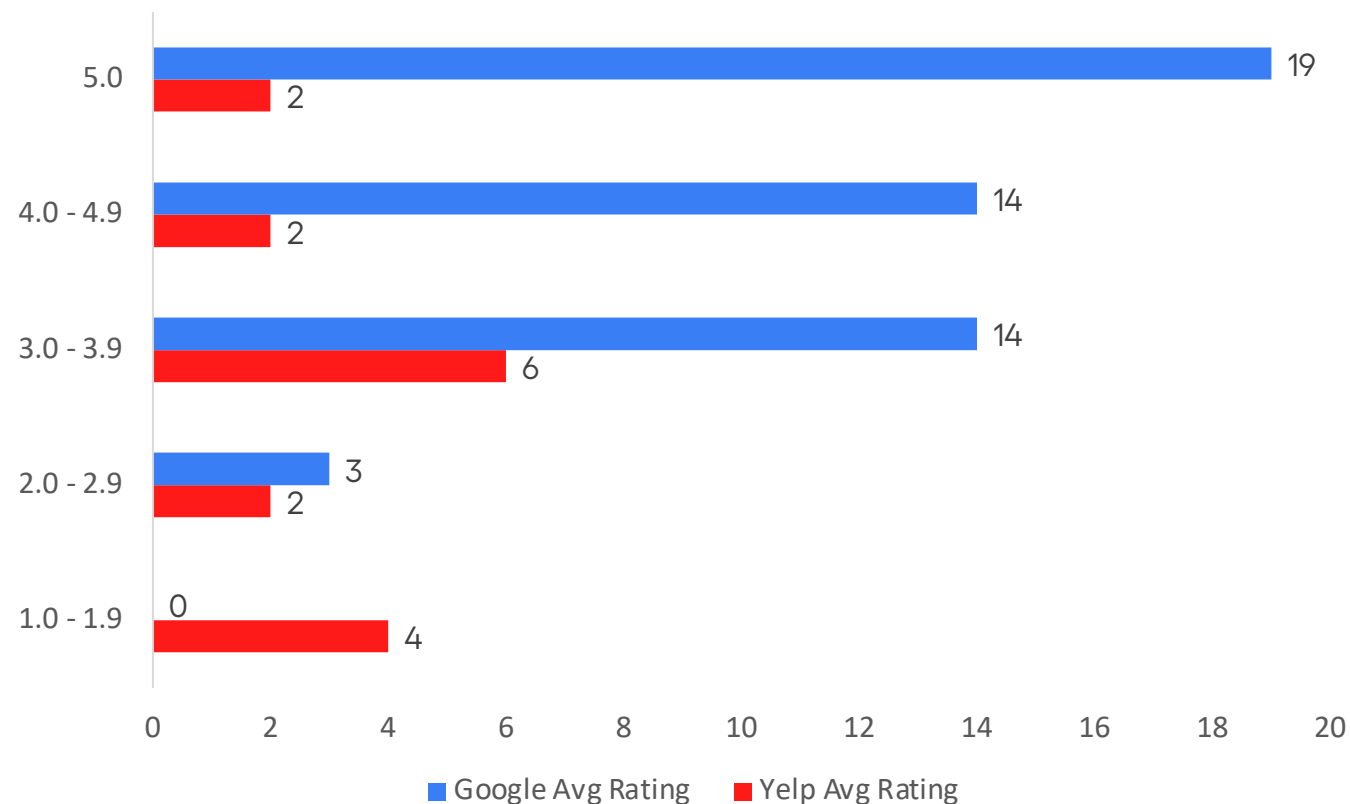


Comparing Average Rating: Yelp vs Google

Findings:

Yelp average ratings skew significantly lower than Google average ratings

Distribution of average rating



Testimonials on Own Website

Finding: Only two out of the top 100 RIA firms have testimonials on their own websites.

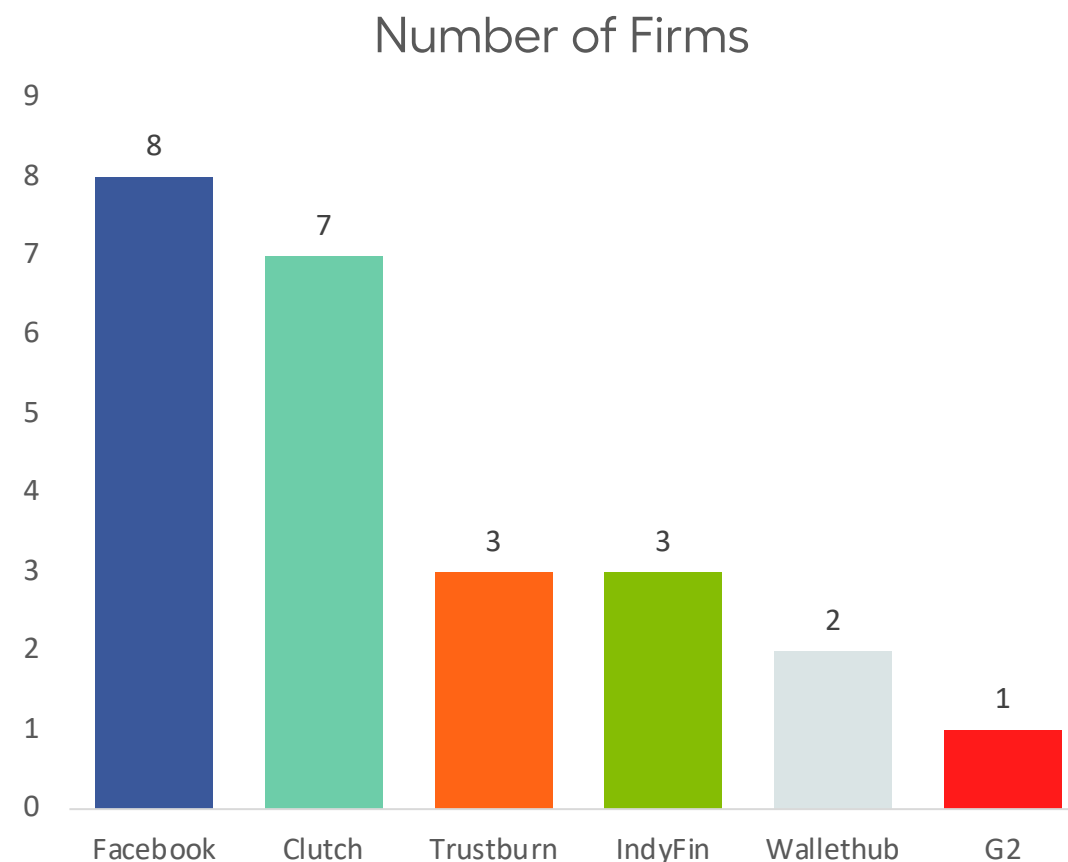
It is hard not to be surprised by this finding. The SEC Marketing rule's compliance deadline was November of 2022. Presumably, there was pressure from advisors to update and modernize the marketing rule. The fact that the updated rule explicitly provides allowances and guidance for testimonials implies that there has been demand among advisors to be able to use testimonials in their marketing efforts.

It is difficult to see this low level of adoption as anything but a missed opportunity and a shockingly slow adoption rate for what is a very powerful and relatively easy marketing tactic.



Analysis Other 3rd Party Sites with Reviews

- **Facebook** - Although facebook was the leading “other” site for reviews, Facebook reviews are overwhelmingly, clearly spam reviews focused on cryptocurrency. Of 64 total facebook reviews found for these firms, only 3 appeared to be genuine client reviews.
- **Clutch** - This site seems to be a site for B2B reviews, so the reviews are not written from the perspective of an individual investor client.
- **Trustburn** - This seems to be a relatively new site with a very bad reputation. There are lots of reviews online about Trustburn, and they are not flattering. Trustburn has a 1.7 rating on Trustpilot, with 19 reviews, and the accusation is that their content is all fake/AI-generated reviews. Upon examination, the content of the reviews suspiciously consistent across firms.
- **Indyfin** - The three firms who had reviews here each had a meaningful number of reviews, but these profiles often would not show up in the first 10 Google search results, which means consumers may have a hard time finding these reviews.
- **Wallethub** - This site seems to be focused more on banks, and a couple of these RIA groups got lumped in with similarly named (or parent) banks.
- **G2** - G2 is a software review site. Not sure how the one lone review about an RIA wound up on this site.



General observations



1. The overall impression from this research is that very few of the top RIA firms have taken an active approach to leveraging client testimonials in their marketing efforts.
2. Two firms have clearly taken action by including client testimonials on their own websites.
3. Another handful have a “higher than chance” number of Google and/or Yelp reviews, implying they may have made some effort to ask clients to leave reviews on these sites.
4. The remaining majority of firms seem to have taken no action to influence their online reputation. For many of these firms, the existing online reputation is not flattering. 34% of those with a Google rating have an average below 4 stars. 62% of those with a Yelp rating have an average below 4 stars.
5. It’s true that consumers know that any rating with only 3 reviews is less convincing than a rating with 50+ reviews, but when there is a desert of client opinions available online, consumers cannot help but be influenced by what they are able to find.

Conclusions

Don't you want to grow?

We came into this research project with the assumption that these firms would all have a focus on growth. It's shocking to see that a year and a half after the SEC declared open season on this powerful marketing tactic (which is ubiquitous across other industries), so few of these RIA firms have taken advantage of this differentiation opportunity.

Inefficient market = opportunity!

To put it in an economic perspective, finding client testimonials for advisors is an inefficient market.

Consumers depend heavily on social proof to make their important decisions, and no firms are doing a great job of meeting this need.

The first firms to implement a robust, proactive review/testimonial strategy will win a disproportionate number of prospects who are looking around for advisors with a good reputation.

Bad reputations can be easily improved.

Firms with an average rating below 4 stars should be self-conscious about it. It's not a good look. The good news is that even the slightest effort to share the clients' voice can easily turn those bad reputations around. Three lackluster voices will be easily overshadowed by happy client perspectives, if firms just start taking initiative.

Opportunity for smaller firms

If smaller firms want to differentiate themselves and compete against bigger RIAs, testimonials are an excellent and easy way to do it. Nobody pines for a relationship with a big megalith of a corporation, and your clients are willing to share personal stories of how their relationship with their advisor meets their financial and emotional needs.

Opportunity for bigger firms

If these bigger RIAs want to project a stiff, impersonal image, they should just keep doing what they're doing. Keep giving prospects what you want them to be asking for, rather than what you know they want.

If you want a low-risk, high impact way to show the human side of your advisors, get on board with testimonials!

About

Amplify Reviews



- **Experience** - The Amplify Reviews team has been helping highly regulated companies with their online reviews for over a decade. We believe the moment has finally arrived for financial advisors and their prospects to benefit from the “reputation economy” that all other industries have been participating in for years.



- **Influential** - Online reviews provide the most impactful means for collecting and displaying client testimonials. Now that there is clear regulatory guidance for how advisors can leverage client testimonials in their marketing, there is no reason why advisors shouldn't give prospects what they want by embracing the power of verified client reviews.



- **Compliant** - Our platform offers a rich suite of features to address unique compliance challenges, and there is no lower risk or more compliant way to leverage client testimonials in advisor marketing. Advisors who embrace reviews will win a disproportionate number of new clients over the next few years. Contact us to learn more - www.amplifyreviews.com