

How 2020 has redefined relevance

Investors and advisors agree:
Agile digital capabilities can fuel long-lasting growth.





EXECUTIVE SUMMARY

Changes set in motion in 2020 are likely to transform wealth management for years to come. Technology has been indispensable in weathering the storm—bridging the gap to help advisors and clients remain connected.

So what's next? Our latest studies examine the client-advisor relationship from both of their perspectives. This data-driven narrative charts satisfaction during the COVID-19 pandemic—and how this has changed expectations going forward. Investors want more engagement; advisors need more support. In every case, agility is paramount in an unpredictable environment. Data and digital technologies are seen as the strategic differentiators—transforming investor expectations and redefining the standard for relevance.



Table of Contents

Investors and digital

4

Digital drives investor engagement during COVID and beyond

Advisor performance

6

Advisors require digital tools to succeed

Redefining relevance

8

How data can inform and amplify messaging

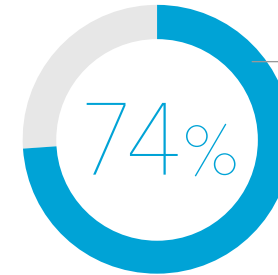




INVESTORS AND DIGITAL

Digital drives investor engagement during COVID and beyond

Investor engagement has surged in response to the market volatility of 2020. Firms that optimize their digital presence are primed to acquire and retain more clients. Communication is critical but it will be ineffective without a plan to maintain relevance through flexibility and personalization.



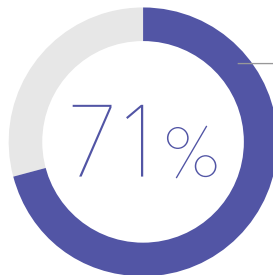
74 percent

of investors agree: Communication frequency with their advisor has increased during COVID.

“In-person” video chat increased



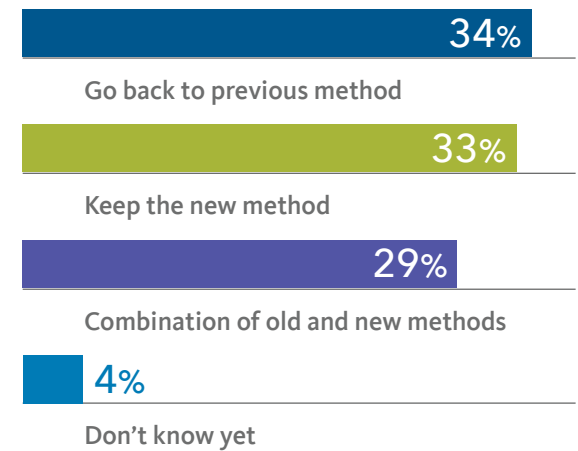
In this time of stay-at-home and social distancing, virtually all communication has been technology-enabled. Digital transformation has accelerated at an extraordinary pace, leaving organizations to wonder if there will ever be any turning back.



71 percent

of investors agree: My advisor uses technology and digital offerings in a way that is perfect for me.

With only one-third of investors wishing to fully revert to prior communication methods, firms will need to consider long-term efficiencies and continue to push the envelope on digital delivery.





Insight

ACCELERATE FORWARD

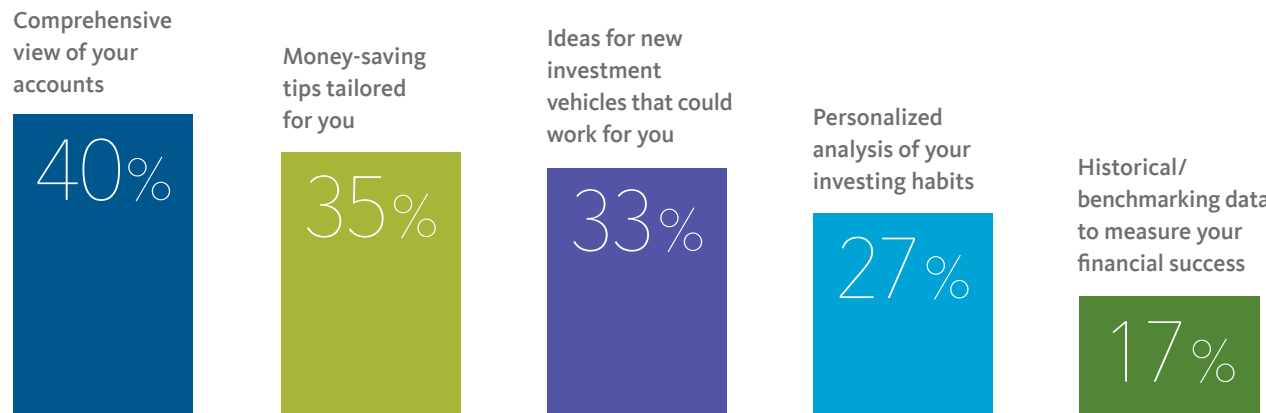
This is a time of rapid transformation. Charting the path forward means acknowledging the lasting impact of the present. Maintaining relevance means engaging with investors how they wish to be reached and through the channels they prefer—now and going forward. It's important to be attuned to these preferences to ensure your advisors have the flexibility to always meet investors right where they are—at any moment. Seize the opportunity to arm advisors with the tools needed to accelerate forward.

VIDEO CALLING: TEMPORARY OR PERMANENT?

Video calls with investors may have doubled in 2020, but only nine percent of investors actually prefer this method of communication. It will be important to invest in other forms of digital engagement that have helped advisors and investors stay connected and are likely to do so in the future.

As advisors consider technologies, they also must consider content to deliver the right message at the right time.

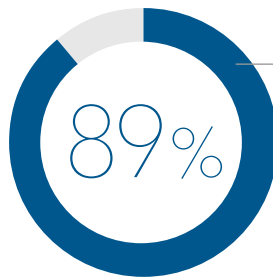
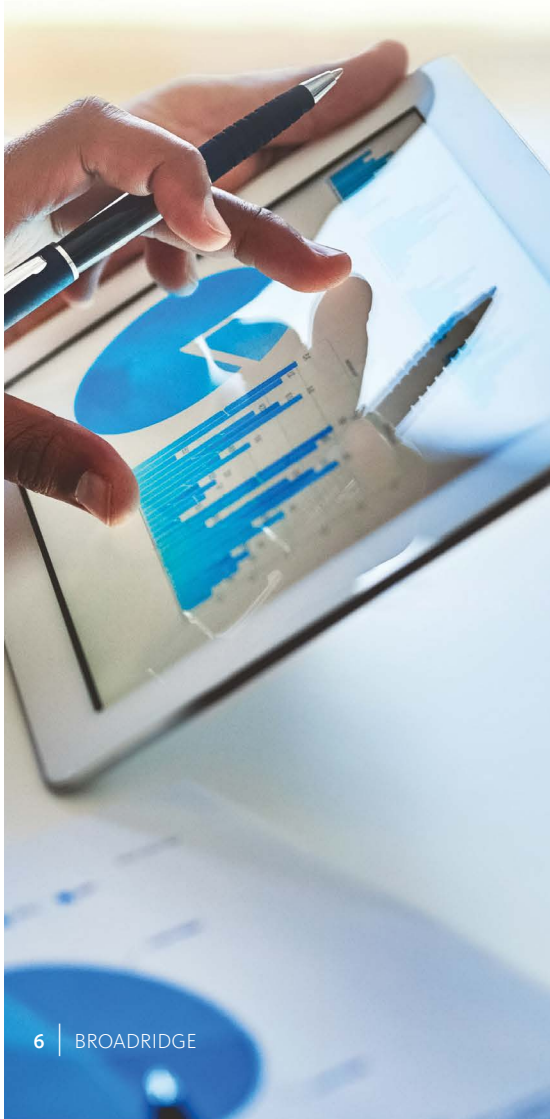
THE PERSONALIZED CONTENT INVESTORS ARE HOPING TO SEE



ADVISOR PERFORMANCE

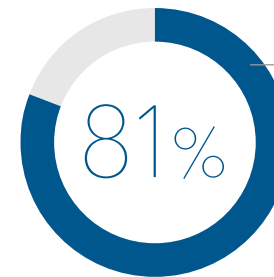
Advisors require digital tools to succeed

The majority of advisors believe that digital delivery is the future; their expectations for modernized infrastructure have accelerated in 2020. This is a trend that shows no signs of slowing down. Success in attracting and retaining a robust advisor workforce will be determined by your firm's ability to respond to their preferences.



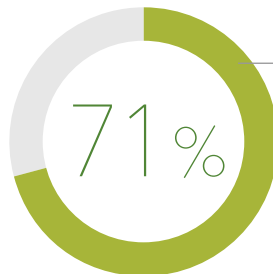
89 percent

of advisors indicate that desktop software and technology tools have become more important.



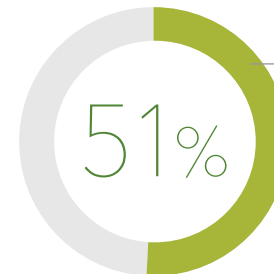
81 percent

of advisors agree, regardless of age: Automation is needed to manage paperwork.



71 percent

of advisors say they have lost business as a result of not having appropriate technology tools.



51 percent

of advisors have considered switching firms for better technology infrastructure.

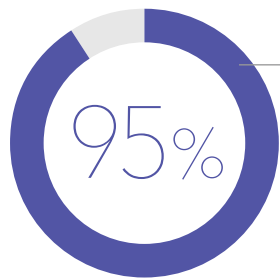


Insight

ADVISORS DEMAND MORE TECHNOLOGY

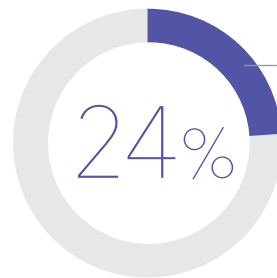
Advisors are hungry for the technology that will catapult them ahead, allowing for more effective client engagement in the remote environment of today and tomorrow. To attract and retain the next generation of advisors and investors, firms must provide the infrastructure to nimbly respond to their communication preferences. This is particularly critical with the industry on the cusp of a \$68 trillion generational wealth transfer.¹

LACK OF TECH RESULTS IN MISSED OPPORTUNITIES



95 percent

of advisors agree that better technology tools would make it easier to connect with their clients' heirs and/or spouses.



Only 24 percent

of advisors have heirs/children as clients.

“Wealth managers were already beginning to re-evaluate their technology tools pre-COVID—now, it’s an imperative. As the pandemic and market volatility creates a new world for investors and advisors alike, wealth firms cannot rely on legacy systems and silos. To stay relevant, they’re going to have to rethink their systems and processes, from front to middle to back office.”

—Mike Alexander, *President, Wealth Management, Broadridge Financial Solutions*

¹<https://www.cnn.com/2019/10/21/what-the-68-trillion-great-wealth-transfer-means-for-advisors.html>

REDEFINING RELEVANCE

How data can inform and amplify messaging

It is not just about how you engage investors, but what and how often you communicate that makes you relevant. Generational nuances among both investors and advisors are particularly significant.

In 2020, the new generation of advisors provided more financial information on the topics of greatest interest to investors. Taking a one-size-fits-all approach will miss opportunities to engage each generation on what matters most to them.

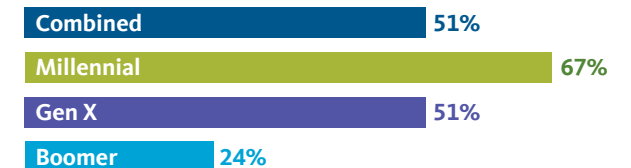
While all generations want a comprehensive view of their accounts, middle-aged and younger investors are far more interested in savings strategies than older investors.

TOPICS OF FOCUS IN CLIENT COMMUNICATIONS

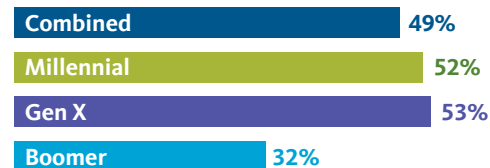
Comprehensive view of accounts



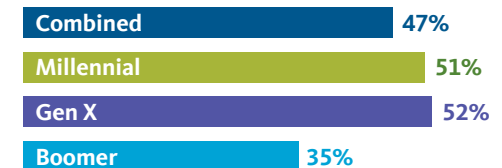
Money saving tips tailored for client



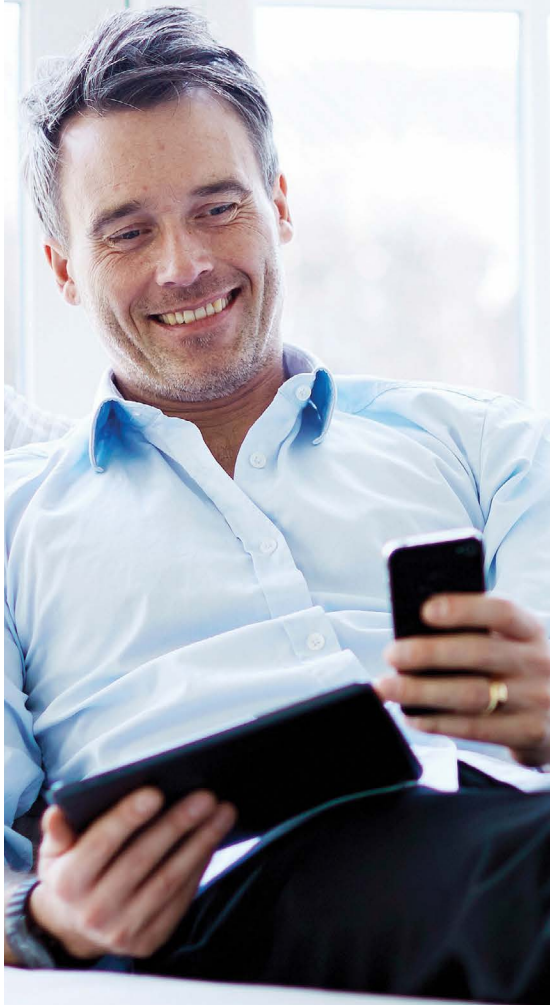
More data about the client or life stages and what that means for investments



Ideas for new investment vehicles that could work for the client



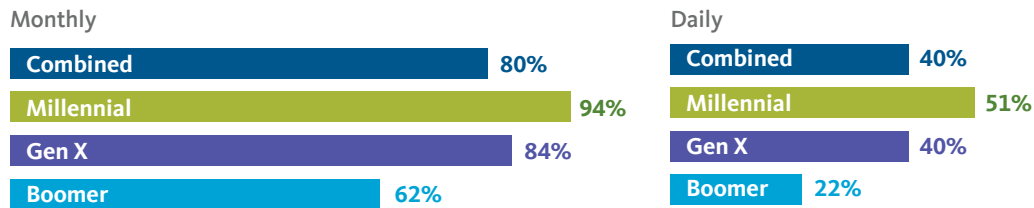
Total n= ■ 253: Combined ■ 94: Millennials ■ 98: Gen X ■ 37: Boomers



Younger advisors also communicate far more frequently than older advisors. Millennial and Gen X advisors overwhelmingly prefer video calling compared to Boomer advisors.

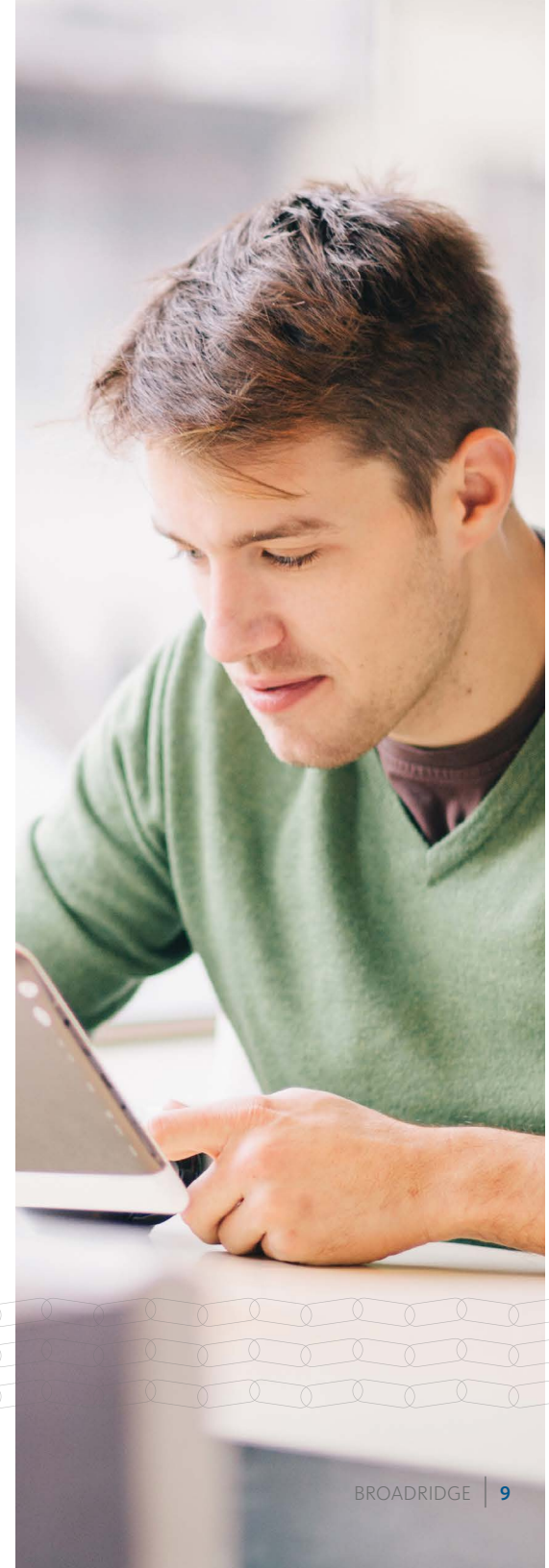
CLIENT COMMUNICATION FREQUENCY

Nearly all Millennial advisors engage with clients at least once a month, and over half report that they communicate with clients every day.



Total n= ■ 253: Combined ■ 94: Millennials ■ 98: Gen X ■ 37: Boomers

Do you use any of the following tools? Real-time collaboration (e.g., video calling, document sharing, etc.)





Insight

AUTOMATION REQUIRED

For many firms, legacy systems and lackluster automation translate to competitive risk. This is where investment and revamping are essential. Carefully assess your opportunities for improvement to identify which technology tools will best support your goals. The needs of future investors and advisors must be met strategically—they will not settle for less.

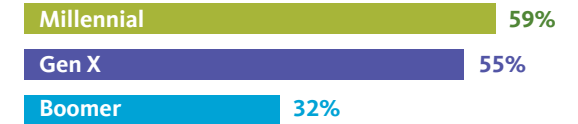


More tech, please

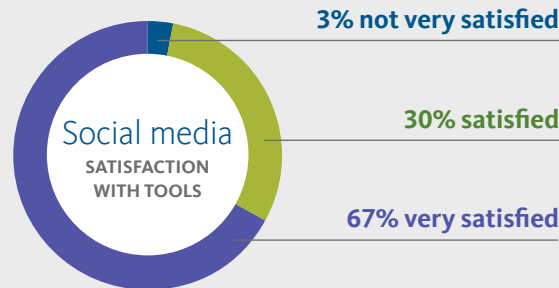
Younger investors are less satisfied with current technology used by their advisors—3 to 1, they're seeking technology that will improve communication and enhance digital engagement. It's also important to note that investors are not just using tech to interact with advisors—they're also using it to locate them. 25% report they found their current advisor through the web.

Younger investors are not the only ones desiring more technology—their advisors do too. Firms must prioritize technology investments to attract and retain the new generation of advisors as well as investors.

I often think of leaving my current firm for one with better technology tools



SOCIAL MEDIA: A DOUBLE-EDGED SWORD



Overwhelmingly, advisors use social media, and are satisfied with the social media tools their firms provide to interact with clients and prospects.

However, while social media presents an opportunity to connect with investors, advisors should be wary of overstepping. 35% of investors would prefer that their advisor not follow them on their personal social media account. Additionally, there are age factors at play: preferred platforms vary by generation, making it more difficult for advisors to determine which platform may be best for each client.



Changes set in motion in 2020 will impact the wealth management industry for years to come.

Several trends have gained momentum over the past few years and accelerated over recent months, such as the move to digital and the need to attract and retain talented advisors. As firms seek a competitive advantage, better technology across the entire wealth ecosystem could be a strategic differentiator.

To learn more about how Broadridge can help modernize your ecosystem, visit us at broadridge.com/wealthplatform.



ABOUT THE SURVEYS

This eBook reports findings from two Broadridge-commissioned studies completed in June 2020. One surveyed the views of 1,000 individuals who currently use a financial advisor in the United States and Canada and was conducted by ENGINE, a market research firm. The other, conducted by Wealth Professional, surveyed the views of 254 financial advisors in the United States and Canada.

Broadridge, a global Fintech leader with over \$4 billion in revenues and part of the S&P 500® Index, provides communications, technology, data and analytics. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.

broadridge.com



© 2020 Broadridge Financial Solutions, Inc., Broadridge and the Broadridge logo are registered trademarks of Broadridge Financial Solutions, Inc.

WM_00072_EB_20



Ready for Next

Communications
Technology
Data and Analytics