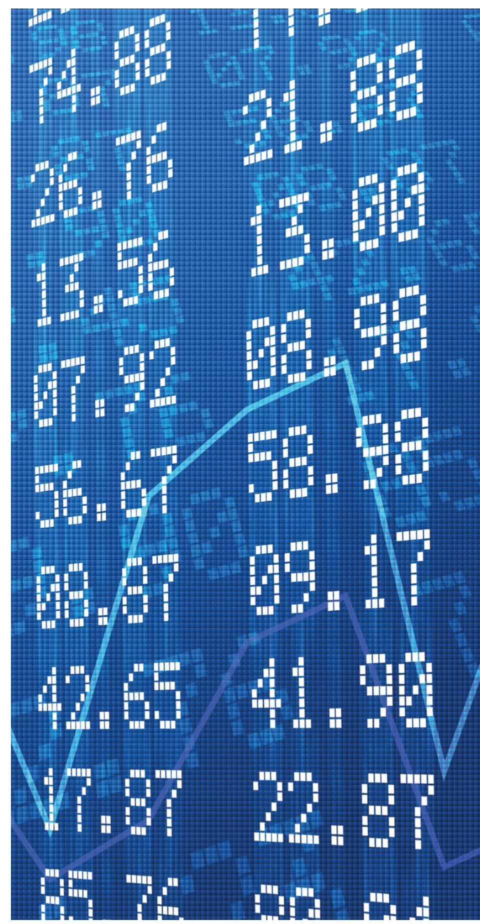
WEALTH MANAGEMENT

Research presented by Broadridge

Power Shift: Digital Behaviors Reshape Client-Advisor Relationships

Increasingly conscious of their buying power, investors want advisors to get personal, according to new Broadridge research.



Ready for Next

Clients to financial advisors: “let’s get personal”

Treating the client like a commodity may be a bigger force for disruption than technology among broker-dealers and financial intermediaries, according to a recent survey[1] from Broadridge Financial Solutions, Inc., the S&P 500® Fintech leader.

Broadridge research indicates that clients not only want more customization in their service relationships, but may even be quicker to leave unresponsive professionals. Conducted in March 2019, the research covered 502 individuals who use a financial advisor and documented how online experiences are redrawing the relationship roadmap.

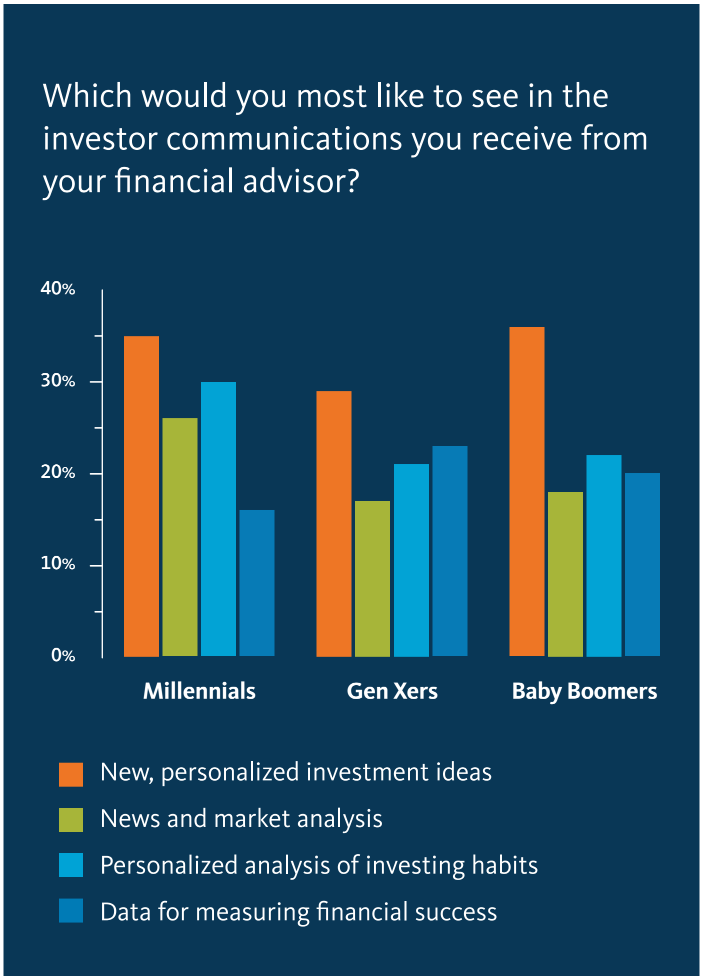
Firm reputations are important, too. While 59% of investors said they chose an advisor based on the person, 41% said a firm’s reputation was the key deciding factor.

Clients want new investment ideas from their advisors — as long as they are personalized

While all respondents cited experience as the top consideration when choosing an advisor, firm reputation grows in importance as younger investors enter the marketplace. Forty-two percent of millennials and 47% of Gen Xers say the firm’s reputation played a major role in choosing a financial professional. This compared to 35% of baby boomers — a fact that will likely change how wealth advisors develop their client acquisition strategies.

WANTED: INVESTMENT IDEAS TAILORED TO THE CLIENT

A high proportion of investors across the board said they would welcome more recommendations from their advisors for new investment ideas personalized to their needs.



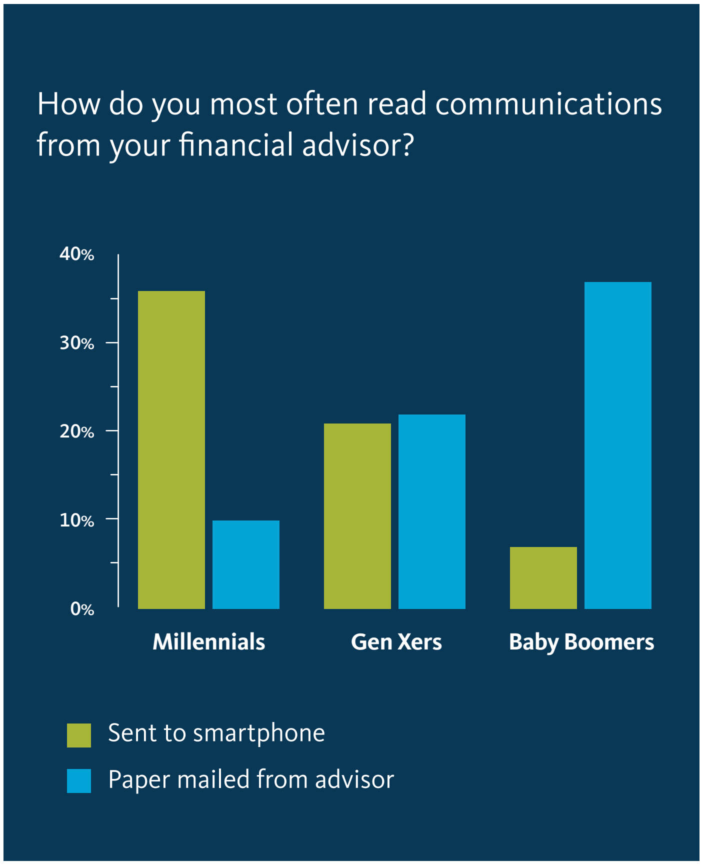
Other preferences for communications received from advisors included:

- A comprehensive view of accounts
- Tailored money-savings tips
- More data around the links between life stage and investment goals

[1] Evolving Social Behaviors Are Re-Shaping the Client-Advisor Relationship
https://www.broadridge.com/press-release/2019/evolving-social-behaviors-are-reshaping-the-client-advisor-relationship

GOODBYE TO GUTTENBERG; HELLO TO SMARTPHONES

The likelihood of paper-based investor communications being read by a client continues to decline as millennials grow to dominate the marketplace. And, while millennials and Gen Xers showed a preference for a more technology-based experience with their advisors, baby boomers were alone in their preference for less digital engagement.

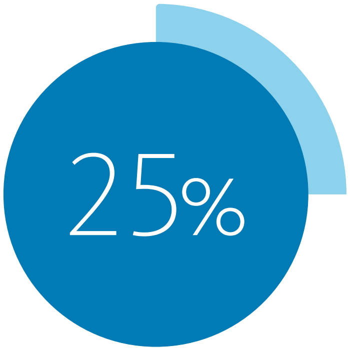


KEY TAKEAWAY

Accompany your clients on a new kind of journey; one that is designed to help them meet their growing demand for personalized experiences accessed through digital devices.

SUBPAR PERSONALIZATION? 25% WILL WALK

Client attitudes toward their experience with advisors include not only a growing awareness of their power in the marketplace, but also a readiness to walk away from companies that provide a customer experience (CX) they consider subpar.



1 in 4 consumers have stopped doing business with a company just because they did a poor job of personalizing the experience.

Twenty-five percent of consumers surveyed by Broadridge said they stopped doing business with a company — not because of products or poor service — but because the company did an inadequate job of personalizing their experience.[2]

Millennials are even harder to please: 35% said a lackluster CX would cause them to search for a new professional.

KEY TAKEAWAY

Technology itself may not be the major disruptor to a business. A lack of client awareness on the part of a company may be a bigger threat.

[2] 2019 CX and Communications Trends Survey
https://www.broadridge.com/report/annual-customer-experience-and-communications-trends-survey

Personalizing the client experience

According to Chris Perry, head of global client solutions at Broadridge, “The top priority for advisors is to bring value to the client the way they prefer — everything else is second.” He outlined five stages he viewed as critical to the client journey:

1. Discoverability
2. Engagement
3. Onboarding
4. Nurturing
5. Growing

Joining clients on their personal journey

1. DISCOVERABILITY

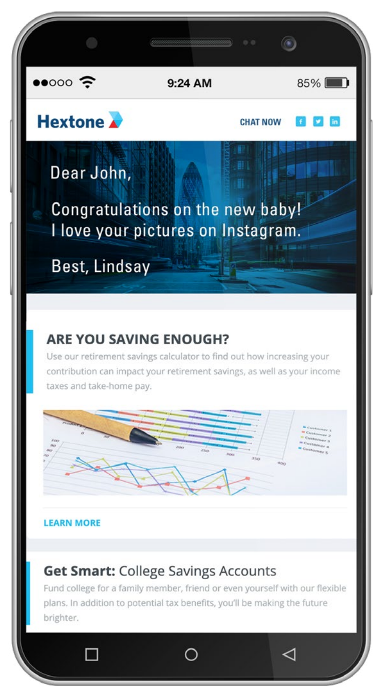
In a true departure from yesterday’s prospecting approaches, financial firms and advisors must first understand how their clients value advice and what their expectations are.

A majority of millennial (89%) and Gen X (59%) respondents are open to their financial advisor following them on one or more social media platforms.

“Make your presence known through your prospects’ preferred channels,” says Traci Mabrey, head of wealth solutions for Broadridge.

KEY TAKEAWAY
Client journeys are underway all around you. To be invited to connect with new prospects, be enthusiastic — and discoverable.

Make your presence known by sharing ideas, competencies — and personality — through your prospect’s preferred channels.



2. ENGAGEMENT

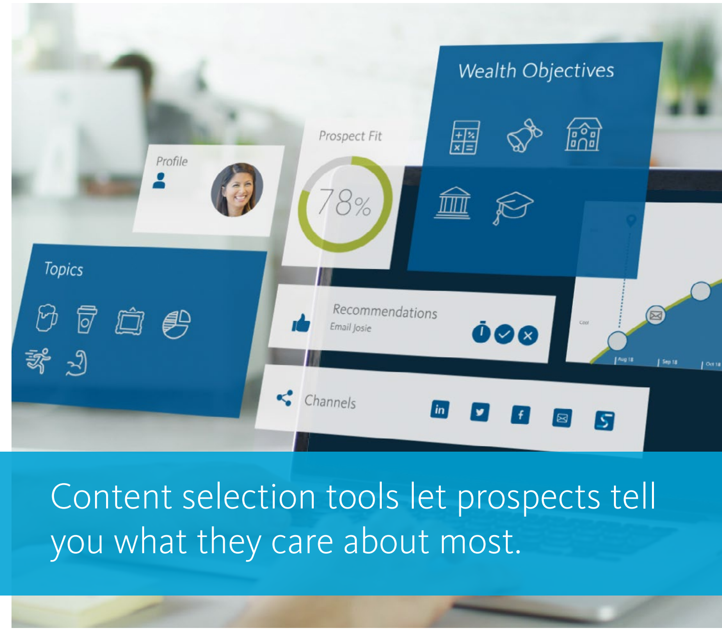
Encourage connections and cultivate interests with curated content through preferred vehicles and social media platforms.

Top client social media preferences:

1. Facebook
2. Instagram
3. YouTube
4. LinkedIn
5. Twitter

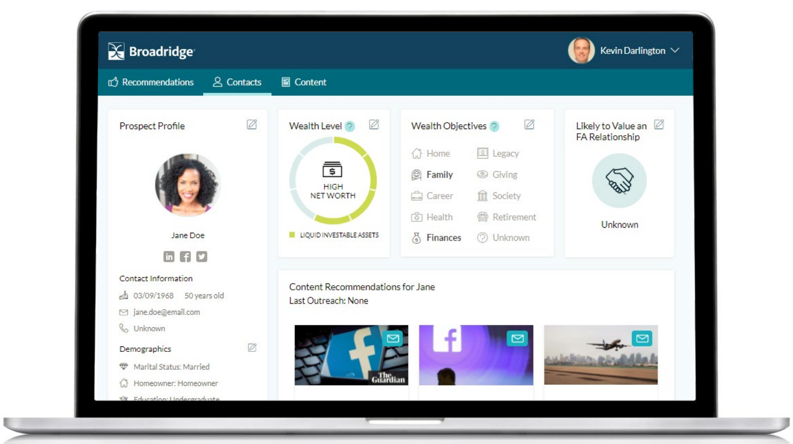
“Engaging first on social media is the new prospecting,” says Donna Bristow, managing director of North American wealth for Broadridge.

KEY TAKEAWAY
Track and analyze interactions among prospects, connections and content to better qualify client needs and make personalized suggestions.



Content selection tools let prospects tell you what they care about most.

Onboarding launches a new phase of interactivity.



Detailed Prospect Profiles

Content Recommendations

Artificial Intelligence

Multichannel Publishing

Prospect Fit Analysis

Automated Prospect Management

3. ONBOARDING

Onboarding opens the door to access the communications resources and tools needed to build the bond between your new client and you.

Soon after onboarding, clients start to receive statements and other communications that can include personalized messages via digital devices and traditional mailings.

“A unified flow of digital or paper-based personal communications is the connecting thread that runs from the beginning to the end of an effective client journey,” says Kevin Darlington, vice president of product management for Broadridge Advisor Solutions.

KEY TAKEAWAY
Personalized, periodic statements provide a powerful baseline for building a successful, interactive client-to-advisor relationship.

Joining clients on their personal journey

4. NURTURING

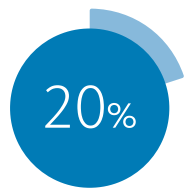
Client-centric advisors nurture relationships through messaging campaigns designed to address customer interests today, while anticipating their needs tomorrow.

According to Michelle Jackson, managing director of digital solutions for Broadridge, “Clients might engage an advisor for expert insights, but they will stay for a CX that reminds them of their favorite retailer.”

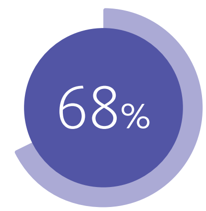
KEY TAKEAWAY
Required communications like statements, trade confirmations and tax form notifications can represent the cornerstone of a cost-efficient nurturing strategy.

Twenty percent purchased a new product based on a personalized statement message.

Better communications can impact the bottom line in more ways than one.



Have **purchased a new product** or service after seeing a message in a bill or statement



Want providers that make it easy for them to **interact across print, digital** and **other channels**

NEEDED: PERSONALIZED COMMUNICATIONS
Investors who switched from paper to digital deliverables did so for these reasons:

31%
They get too much physical mail

31%
Their provider gave them the option

26%
Their provider offered them an incentive

25%
Environmental concerns

5. GROWING

Over the course of the client journey, there is room for improvement. While 71% of respondents consider their communications informative, only 53% said they were relevant. A low 28% termed the information “actionable.”

Encouraging clients to make their preferences known online can help. Among respondents, 31% said they were receiving too much physical mail, while 31% would opt in to digital communications if given the chance.

“Advisors can better grow their businesses when they apply data-based tools to gather and analyze client preferences,” says Broadridge’s Donna Bristow.

KEY TAKEAWAY
Applying data analytics to personalizing client experiences allows advisors to better understand their clients and increase retention.

Seven calls to action

1. JOIN YOUR CLIENT'S PERSONAL JOURNEY
According to the survey, 43% of investors expect a highly personalized experience while 25% have stopped doing business with companies that fell short. Leveraging the integration of front-, middle- and back-office systems helps generate the client data and personalized insights that tell your clients you know them and understand their challenges.

2. KNOW YOUR CLIENT'S DIGITAL THRESHOLD
If your client is basically a do-it-yourselfer who requires some professional validation from time to time, they are probably more comfortable with a higher degree of online activity. On the other hand, if they are looking to delegate the lion's share of oversight or portfolio selection to you, they may prefer a more paper-based approach.

3. THINK BEYOND TARGETS
Yesterday's target marketing is no longer enough. "Demographics and persona-based segments will likely be replaced by more individualized, highly tailored approaches over the next 18 to 24 months," says Broadridge's Chris Perry.

4. TAKE A CROSS-GENERATIONAL APPROACH
The impending $30 trillion wealth transfer promises to leave no generation behind. While millennials dominate in size, they remain a distant fourth among high net worth (HNW) investors. Baby boomers still lead the way in assets under management (AUM) among HNW individuals, followed by the silent generation.

5. APPLY NEXT-GEN STRATEGIES TO NEXT-GEN INVESTORS
The lifeblood of any firm is its data. An advisor may receive a text or social media post about a client event that could trigger an idea for a customer. Conveying the right idea at the right time strengthens relationships. It also better positions advisors to provide more personalized advice from both an investment perspective and a bigger-picture "client journey" overview.

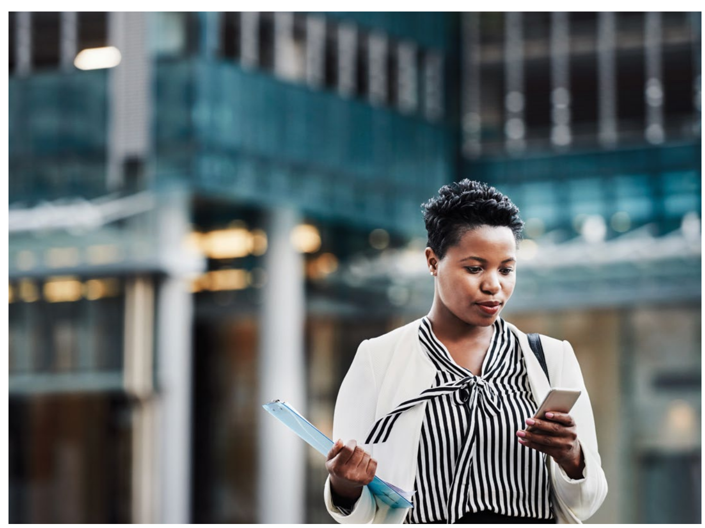
Knowing your clients' preferred devices and social media platforms helps, too. Thirty-eight percent of millennials use their smartphone as a primary device when reading advisor communications, compared to 21% of Gen Xers and 7% of baby boomers.

6. PERSONALIZE INVESTOR COMMUNICATIONS BEYOND THE SALUTATION
Investor communications can empower business development. Survey participants said their top expectations from advisor communications were:

1. Ideas for new investments
2. A comprehensive view of accounts
3. Tailored money-saving tips
4. Personalized analysis of investing habits
5. Data around personal life stages

To customize statement messaging, consider including money-saving tips, more historical or comparative data, client performance comparisons to peers, and descriptions of related service benefits.

7. FIX WHAT'S BROKEN
Poor communications can lead to higher turnover. It's not just bills that cause headaches. Many respondents said the format and content of their statements created frustration because they were poorly designed and confusing.



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.

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Communications
Technology
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