

Key Forces Changing Fund Marketing

Q&A with Ryan DeSola, Principal at DeSola Group



Karen Fay Luedtke, Director of Distribution Services at UMB Fund Services: What macro trends do you see having the greatest impact on asset management in the future, and what can fund firms do to stay at the forefront?



Ryan DeSola, Principal at DeSola Group: Rapid and radical transformation is sweeping across virtually every industry. Financial services and asset management specifically are in the infancy stage of this transformation. There are myriad

economic, technological, regulatory, social and political shifts at play — but I'd like to highlight three forces that will be essential for fund firms to pay attention to: the race for brand leadership and personalized content; the digital revolution; and the rise of Millennials and the experience economy.

Karen: Let's first tackle brand. What should fund firms do to build successful brands in this changing arena?

Ryan: The industry is changing fast and too many fund companies are lost in an identity crisis — defaulting to performance, people, pricing or processes as go-to differentiators. Firms need to size up the marketplace, as well as their established and evolving capabilities, and crystallize their unique story, including *who they are* and *why* they exist, *what* they do best and the value they offer clients, as well as *how* they deliver differently and more effectively than others. Next, they should align products and solutions, organize themselves to deliver as promised and design a visually engaging look and feel to bring the brand to life. From there, they can orchestrate how they market themselves, tell the story, engage audiences and stir desired action, including websites, pitch books, content marketing and lead generation tools.

Karen: Can you share how personalized content and thought leadership can build their brand?

Ryan: Studies show that most fund firms understand the essential role content plays in marketing efforts, however, other industries are more advanced. Too often, however, asset management thought leadership comes across as generic information pushing — where quantity trumps quality. Fund firms need to become more strategic about content and tell more personalized stories to change the dialogue and engage audiences. The best next step for fund firms will be to define what they are trying to achieve and with whom — from big brand awareness to specific calls to action. They should then assess what's working and what's not. They can then map audiences, behaviors and journeys, organize a strategic and tactical content platform and agenda, and align resources to advance and measure results.

Karen: How will the “digital revolution” impact asset management generally, and specifically what will it mean for fund firms looking to advance marketing efforts?

Ryan: Change is everywhere and leaders who adapt will win. There's nothing new with that premise. What's new for today's fund firms is the speed and magnitude of change due to the digital revolution — and in particular the opportunities and risks associated with the rise of advanced analytical technologies, robo-advice, AI, and the emerging realm of blockchain, cybersecurity and data protection, and the Internet of Things. As a whole, the asset management industry falls short on the digital skills and technology capabilities to stay ahead and reshape themselves. This needs to change quickly as FinTech firms and Silicon Valley surround the space with new, innovative platforms.

Moving forward, firms should focus on three immediate categories of opportunity: *efficiencies*, *effectiveness* and *explosiveness*. Efficiencies in terms of their ability to leverage technology to reshape operations, automate processes and content distribution, and scale the business while decreasing cost and increasing profitability. Effectiveness in aligning big data and the like to find alpha and engage the right audiences at the right times with the right solutions to drive growth. Explosiveness in reaching next-level potential by reinventing the business model, reshaping the experience and transforming the industry itself.

Karen: Your final big market force focuses on Millennials — how are they shaping the industry and what can firms do to position themselves with this large and influential segment?

Ryan: Millennials are rising fast and putting their stamp on the economy. They are digital natives who grew up with the internet, social media, gaming and texting, and whose experiences and expectations are being shaped every day by the likes of Google, Apple, Amazon, Netflix, Uber and a host of countless technology-driven platforms. On the financial front, Millennials are embracing FinTech experiences — and major financial providers such as Fidelity and Goldman Sachs are staking a claim to being perceived as *tech companies*.

To capture Millennials, fund firms must first understand their behaviors as well as the expanding set of competitors pursuing them. They must segment and map Millennials, including personas, journeys and influencers, reengineer product portfolios, and assess and align essential digital tools and human interaction to help shape the next chapter of the asset management experience.

UMB Fund Services partners with Desola Group to provide marketing and branding expertise to fund clients through its Distribution Toolkit. Whether you are a start-up or an established asset manager, UMB offers a full-range of asset raising services to support product development, marketing, sales, and distribution. Learn more about UMB's distribution support at umbfs.com/distribution.