



HOW THE ROLE OF

**MARKETING
IN ASSET
MANAGEMENT**

HAS EVOLVED



LUDGATE SEARCH | MARKETING IN ASSET MANAGEMENT

INTRODUCTION

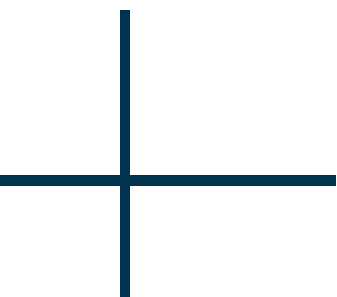
The global financial crisis marked the beginning of a period of unprecedented change for the asset management industry, ushering in a new era of regulatory challenges, and a Copernican revolution in consumer trust. Ten years after the crisis, all the signs indicate that this period of upheaval is not only set to continue, but to intensify. PwC predicts that assets under management (AUM) between 2015 and 2025 will almost double to US\$145.4 trillion, against a backdrop of political uncertainty; narrowing fee margins; new technology; shifting distribution channels; and demand for a different kind of customer experience.

Now more than ever, asset managers need to move away from many of the traditional models that have shaped the industry, or in some instances have remained unchanged for decades. And one of the most notable is the role of marketing, and marketeers.

Over the last five years there has been a notable shift in the profile of the buy side marketing function, in itself a microcosm of the pace and scale of change in the wider asset management industry. Demand for traditional marketeers has been replaced with a need for strategic thinkers, innovative practitioners, and technical specialists.

As part of our 'Insights' series, Ludgate Search surveyed some of the most senior UK based marketeers in asset management, from Global Heads of, CMOs and Heads of EMEA, to explore how the demands of the industry have changed, and how in response, the role of marketing in asset management has evolved.

Among the responses was a clear picture of the houses that have successfully adapted to meet the current challenges through their marketing function, how they have made the move from 'product pushers' to solutions providers, which brand have successfully managed their reputations, and the merits of hiring marketeers with Wholesale and Retail experience vs an Institutional background.



INVESTORS ARE LOOKING AT ASSET MANAGERS AS SOLUTION PROVIDERS...

"Marketing solutions have become all about education, informing, and sharing knowledge with the client"

A consistent trend of the last few years has been for asset managers to position themselves as a "solution provider", rather than a "product pusher". We approached senior marketers to gain their perspective on how the marketing function had evolved as a result and their comments are overleaf.

Having operated for decades as essentially a sales support function, marketing has grown into a truly strategic role, earning a seat at the management table in the process. This has been prompted by a range of factors, including evolving customer needs, changing regulatory requirements, and increasing product complexity.

One of the most significant consequences has been far greater interaction with other functions within their organisations, including distribution, compliance, and IT, which has coincided with streamlining programmes across the board. As a result, marketers are now expected to have more technical product knowledge than their predecessors ever did, and add value by fulfilling a combination of functions.

Technology has been another of the major disruptors, completely transforming the asset management marketing function. Increasingly asset management has looked to replicate the success of other sector who have harnessed technology effectively – and none more so than ecommerce. Investors have growing expectations of similar levels of personalisation, relevance and timeliness and asset managers that can incorporate these are setting themselves apart from their competitors.

"Marketing has evolved by being more strategic and more involved in product development. Marketers need to understand what investors are looking for and how to take their pain away. They need to be able to look at all the factors and come up with innovative solutions that work for the new generation of investors."

Group Head of Marketing, UK Asset Manager

"Most of the asset management houses have found their margins squeezed. The emphasis now is on effectively allocating the marketing budgets and being more thoughtful. Slowly but surely marketing is becoming more focused on the end customer's needs rather than the needs of the 'product provider'."

EMEA Marketing, American Asset Manager

"Some global boutique firms have operated as solution providers since their inception. However if we look at the larger asset management firms specifically, we have seen a shift as they become more solutions oriented."

EMEA, Global Asset Manager

"Marketing solutions have become all about educating, informing and sharing knowledge with clients. In the past marketers would dictate, but now they are more engaging and consultative. Investment firms are heavily investing in digital content and infographics; it's all about their ability to deploy relevant content, quickly, at the right place and at the right time!"

Global Head of Marketing, European Asset Manager

"Marketing is asset management is less about trying to 'blind people' with the science of investing, but more about taking them on a journey to understand what happens with their money, telling the story and allowing them to make informed decisions based on their specific needs. It's no surprise that many asset managers have now moved to a publishing model and have hired journalists to help craft the information into compelling stories that are outcomes rather than product based."

Global Head of Marketing, UK Asset Manager

...RATHER THAN PRODUCT PUSHERS. HOW HAS MARKETING EVOLVED AS A RESULT?

Where the “FANG” giants (Facebook, Amazon, Netflix and Google) have excelled is by catering to what customers want, when they want it, and what they want next – based entirely on their past behaviour. This highly personalised approach, driven by artificial intelligence and machine learning, has dovetailed with the goal of getting better data, and then giving it to customers.

This increased focus on and tailored approach to thought leadership among asset managers, such as opinion articles and whitepapers, provides value to those reading it outside of a traditional product or service pitch. The collateral also positions the firm as an expert in their space, building trust among their client base and positions them as a solutions provider as opposed to a product pusher.

However, whilst digital skills are universally regarded as key, there are asset managers that are still under-investing significantly in marketing. Participants in our survey agreed that organisations need to be braver as change won't come around organically, and certainly not if there is no change in the types of profiles sought when hiring.

The shift from fund manufacturers to brands means that marketing teams can no longer focus entirely on individual funds and their product points and benefits – the challenge therefore is to offer a holistic brand promise and evidence that through products, services, support for distribution channels and proof of positive social impacts. Brands increasingly need to show they exist for more than just shareholder value.

"Some asset managers are more sophisticated in their approach than others. Rather than talking about their strategy, they are talking about client drivers. For example, if pension funds are the firm's main clients, you would be talking about sustainability, de-risking or fixed income. The focus should be about how you will help clients and solve their problem."

Head of EMEA Marketing, American Asset Manager

"Marketing has adapted by being more strategic and more involved in product development. Marketers need to understand what investors are looking for; how to take their pain away, look at all the factors and come up with solutions that work for them on all levels."

Group Head of Marketing, UK Asset Manager

"On the retail side of the market there has been a conscious shift towards outcome marketing. Investors are no longer looking for a great fund with 5% yield. What is the outcome they are looking for? What are their expectations? Multi-asset is a one stop shop portfolio. Marketing is moving the dialog, away from benchmarks and competitors. The way we talk about our offering and the way we are enabling people to reach relevant content is through digital channels. Marketing is now simplifying their language and focusing on what is the outcome of a certain solution, not the feature."

Head of UK Wholesale, European Asset Manager

"A lot of agencies are cutting back on print and looking to measure client acquisition activities. Historically, asset management firms have not invested in digital platforms but to move forward and focus on bespoke advertising and tailored content, this is inevitable."

Head of Product Marketing, EMEA

**"Marketing has adapted
by being more strategic
and more involved in
product development."**

INSIGHTS

What are the skills currently in demand for senior marketers in asset management? A number of competencies and technical skills were consistently mentioned in feedback. Respondents were also asked to explore their hypothetical motivations for hiring a UK Head of Marketing from an Institutional or Wholesale background, for a role with an equal mix of clients from each.

COMPETENCIES

- INTELLECTUAL CURIOSITY
- INNOVATIVE & CREATIVE APPROACH
- COMMERCIAL ORIENTATION

TECHNICAL SKILLS

- STRATEGIC MARKETING
- STRONG CONTENT SKILLS
- SOLID PRODUCT KNOWLEDGE

COMMERCIAL ORIENTATION

"To be able to demonstrate true ROI, the key is to integrate the digital function into marketing to deliver active leads into sales. It is also very important to be aware of the broader market context: that your product strategy is aligned with what solutions clients need. The collaboration with sales is crucial."

Head of Marketing, EMEA - International Asset Manager

INNOVATION

"You can teach a lot of people the 'what' but finding people with the 'know-how' is the key; relationship building and teamwork is how they get things down. Furthermore - it's an understanding that it isn't just about spending time writing a great whitepaper, but how you then use the content and distribute it. How the content is used across the different channels and how you measure it post activity by testing and refining is key. The art of marketing should be taken more seriously - it is a commercial function."

Head of Channel Marketing, EMEA - US Asset Manager

TECHNICAL KNOWLEDGE

"Technical knowledge is the key, the marketing skillset can be picked up on the job. If you are looking for a senior hire they need to understand investment solutions. How can you help a firm market their proposition is the hardest to get right. What are you actually marketing? How to market is easier to learn. Apart from that - 100% of marketing activities need to be focused on digital and content (you just cannot have enough!), and being prepared to think outside the box - understanding that you have a strategic role to play, rather than just being an extension of the sales team)."

Head of Group Marketing - UK Asset Manager

INTELLECTUAL CURIOSITY

"Intellectual curiosity can't be compromised on and a lot of people just focus on execution rather than strategy. Sometimes hiring managers seem to think that bringing in specialists from outside the industry is a good idea. The problem is that they know nothing about asset management. But this sort of talent pipelining can be very successful. People who come from outside the industry who have this intellectual curiosity, have spent a lot of time with sales, on events, etc, and are genuinely interested in funds and investment solutions."

Head of EMEA Marketing - Global Asset Manager



38%

INSTITUTIONAL BACKGROUND

38% of respondents would hire a UK Head of Marketing from an Institutional background. This experience was felt to be more long term, more thought leadership lead, with experience working with small teams and small budgets. However outputs were perceived to be generally much smaller - investors want to hear from them less and the investment cycle is longer.



62%

WHOLESALE BACKGROUND

62% of respondents would hire a UK Head of Marketing with a Wholesale or Retail background. Marketeers with these backgrounds were described as more innovative, creative in their approach and with greater experience using cross content channels, and were generally found to be more digitally savvy.

BRAND FOCUS

WHICH FIRMS HAVE GOOD MARKETING REPUTATIONS AND WHY ARE THEY SUCCESSFUL?

In our discussions with senior marketers, a number of asset managers, including PIMCO, GSAM, AVIVA, Schroders and M&G were highlighted for their high quality content and innovative approach to marketing. In particular Investec was cited as an example of a brand that had capitalised on digital and positioned itself well.

"Firms are looking for strategic marketers with strong leadership skills. The leading brands are clear about what their offering is, how to create demand and how to satisfy it. It's also often about what you chose not to do, rather than what you do."

Global Head of Marketing, US Asset Manager

FOCUS ON INVESTEC

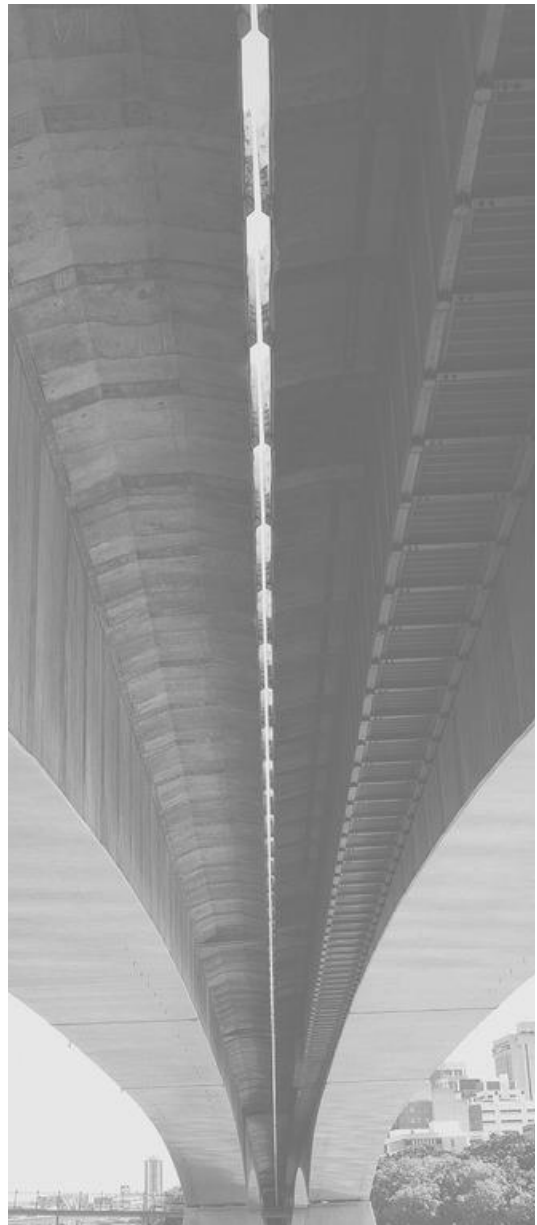
- Brand familiarity based on consistent messaging
- Investment Institute – excellence centre known for producing stand out content and thought leadership
- Impactful brand driven by encouraging culture of creativity
- Embracing digital effectively

"Employees feel safe to share ideas"

Head of Group Marketing, UK Asset Manager

"They take marketing to a different level."

IFA, UK





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Ana Maria holds a 1st class degree in International Business and speaks Italian, French, Croatian, and Slovenian.

Ana Maria began her career at a boutique search firm where she was responsible for developing their Distribution, Asset Management desk. In 2012, she joined BRUIN Financial, sister company to Ludgate Search, to grow and lead their European Distribution team, focused specifically on senior assignments in Asset Management, Alternatives and Wealth.

In 2017, Ana Maria was mandated to grow Ludgate Search, the Executive Search arm of The FISER Group. She focuses on senior distribution mandates, specifically capital raising roles in Europe including roles based in UK, Nordics, Germany & Austria, Benelux, France, Switzerland, Italy and Spain.

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