

How to target the wealthiest buyers

Michael Gale, CEO, Strategic Oxygen July 01 2009

While many financial institutions are struggling, one sector remains hot: wealth management. Targeting prospects with dollars to manage is critical to success and, at the same time, more difficult than ever because people are looking to new influencers and new sources of information to help them make investment decisions.



Following, you will find new rules for marketing personal investment products which both contradict and complement conventional marketing wisdom. The rules are based on research with more than 2,500 mass affluent investors in the US, who have a range of \$100,000 to more than \$1.5 million in assets they can invest.

There are five key events that trigger investment decisions - changes in personal finance, changes in market conditions, life events, recommendations and learning new investment strategies – which financial services companies should identify and act on. In the current environment, changes in personal finance and market conditions are two-thirds more likely to trigger an investment decision than life events or recommendations, proving that now is the time to act for high-net worth financial services firms.

People with more than \$1 million in assets are most comfortable with online channels like blogs, a financial service provider's Web site and online investment tools, while prospects with less than \$1 million need more personal attention. This shows that the more an investor has the more secure they are in their own stewardship. Therefore, you need to realign your personal touch sales assets more cost-effectively and determine how to target your traditionally higher-touch prospects with low touch online content value.

Only 33% of investors see themselves as intense followers of trends and information. As a result, you need to segment your service offerings and communications accordingly, splitting your focus from “hot active knowledge,” to wider ranges of information value. For those with more than \$1 million in investable assets, print or direct communications have the most impact on investors, but the power of online financial sites (84%) and general online sites (93%) demonstrate the need for an integrated marketing plan. Word of mouth has least impact on investors, so you cannot rely on “friendly customers,” to market for you – even to the wealthiest.

All investors, to varying degrees, are self-seekers of information, and your marketing has to reflect this. As your targets get older, events become more crucial to their major portfolio changes so you also have to evolve your marketing practices with your targets and the current environment.