

The Asset Management Brand Imperative

Build a great differentiated brand or drown in a sea of sameness. Today having a strong investment management brand is not a nice to have, it's an imperative.

For years building an investment management brand was left to the big fund firms. Then, with the global financial crisis, massive outflows across segments and then a bull run, firms of all shapes and sizes rushed into the market with what they thought was “branding”.

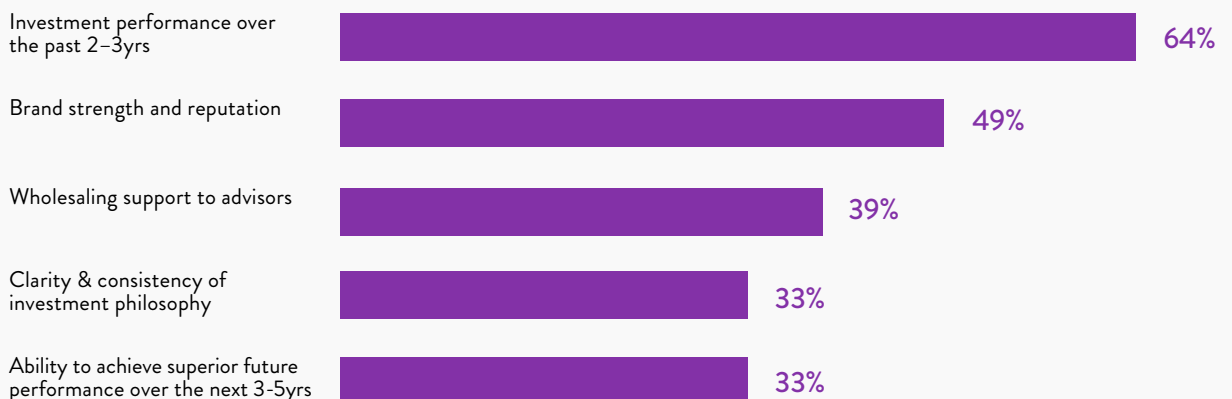
Today every wealth or asset management firm has a website, a pitch book, and a LinkedIn page—likely blue and peppered with navigational logos, images of conference room meetings or athletes reaching the pinnacle. Many therefore thought that they had built a brand and that this, combined with good, consistent performance was enough to get them noticed, win business and develop loyal relationships. Once upon a time that may have worked, but not today.

With the increased complexity of the financial markets, fee compression, DIY platforms, and robo advisors—many are taking serious stock of their brands. Add to this that investment management brands are different—from their products and services to their diverse audiences—and operate by a different set of brand rules and pose unique challenges.

So why build a powerful and differentiated brand?

For starters, as the lines between asset management, retail, and institutional buyers continue to blur, brand and reputation are more important drivers in a client's decision to invest. As the following chart shows, brand strength is the second most important attribute in selecting an investment firm after performance.

Drivers of Asset Flows on Fund Distribution Platforms¹



Add to the above the following critical reasons:

THE FIELD IS CROWDED, NOISY AND CONFUSING.

Today, hundreds of wealth and asset management firms with countless strategies and vehicles are battling it out for assets. Add to that the lack of distinction between firms, it's nearly impossible for potential investors to see through and understand what a firm does and does better than its competitors. Net, it takes a lot to win and retain loyal clients.

KEY PROMISES SOUND THE SAME.

Without doing the work to create meaningful differentiation, most firms push out promises that sound identical, creating a virtual sea of sameness. So, to get noticed a firm must build a brand that means something and ultimately matters to clients.

UNIQUE CHALLENGES EXIST.

For many their audience is layered and must be perceived as offering the deep insight and information required by professionals and at the same time instill a sense of trust and confidence with end investors. Add to the challenge, that all of this needs to be conveyed through a complex distribution system and be compliant with regulatory requirements.

In closing,

Building a strong and enduring brand in the investment management business is both an art and a science. The pursuit involves two essential pieces; understanding the true and authentic identity of a firm to create powerful differentiation and having a deep understanding of key audiences to unlock what they need to hear to engage.



In our next article in this series, we will cover how to build a powerful wealth and asset management brand.