

Creating the future client experience

Using data to deliver personalisation in wealth management



Jenny Kvaskova
Manager
Scorpio Partnership

Whether sharing information with online travel services, search engines or dating apps, consumers are increasingly comfortable handing over personal data to secure a service, product or outcome tailored to their needs.

But how can this willingness to trade off privacy for personalisation be used to benefit clients' wealth management? We outline five actions to enable firms to secure and deploy client information in order to enhance the client experience.

Five actions to enhance personalisation



Invite clients to share data in new ways – but demonstrate that it's secure

Received wisdom in wealth management says clients are only comfortable handing over sensitive information if it's in person to someone they know and trust. But our research indicates a willingness to try new data-sharing channels if such interchanges can deliver a more personalised service.

This openness to sharing information is wholly contingent on clients feeling assured that their data is safe. Currently, over half (52%) of investors are confident that firms will keep their data protected.

“...the more transparent a company can be about how data is stored, secured and shared – the more credible they will be.”

Ron Rubbico, CEO, Pointillist



Design information delivery that has personal impact

Many wealth management propositions sell themselves on their highly bespoke service. But from the client's perspective, the personalisation principle isn't yet being applied to investor insight.

Across the board, investors are struggling to see the relevance of many of the insights that are sent to them. Only around a third of clients feel information is sufficiently tailored. This suggests that many firms need to review their content generation – and map it against what they know about clients – to provide insight that's tailored to and actionable by individual investors.

Personalisation of investment information:

34% agree:

The recommendations I receive feel relevant to my preferences and requirements

32% agree:

The guidance I receive on mitigating investor risk feels tailored to my risk appetite

32% agree:

The insight I receive about my portfolio is actionable and useful

Source: Scorpio Partnership/Factset



Invest in customising the client experience

The client appetite for personalisation isn't just about information – it extends to the whole online experience. When asked what technological investments firms should prioritise to deliver a more personalised service, investors focused on the ability to configure a view of their key wealth information and to view products recommendations for similar investors.

Clients' most sought-after tech personalisation features:

1

An account dashboard displaying information that's most important to the individual client

2

Product recommendations based on the preferences of similar investors

3

Set personal preferences for receiving wealth manager communications

Source: Scorpio Partnership/Factset



Harness clients' social media profile to enhance your proposition

Wealth management clients may be viewed as highly private individuals. But a surprisingly high 58% of investors say they are willing to share information from their other online accounts such as LinkedIn, Amazon and Facebook with their wealth advisor.

This potentially offers a powerful means to better understand a client's interests and behaviours and deliver recommendations that go well beyond the usual considerations about age, life goals and attitudes to risk.



Consider segmenting clients based on their attitudes to technology

Investors generally are more willing to share data to get greater personalisation. But the appetite for this privacy trade-off – and what clients expect to get in return – will vary. To capitalise on this, firms may want to segment clients according to their technology and data-sharing expectations.

Early tech adopters, for example, are open to arming their advisors with more information to secure a better understanding of their risk profile. Digital laggards (those slower to embrace technology) primarily value data sharing if it allows them to access to more relevant products and more competitive rates and fees.

What benefits would you expect in exchange for sharing your data with a wealth advisor?

Early Adoptors / Digital Followers:

A better understanding of my risk profile

Digital Laggards:

Access to more competitive rates and fees and relevant products

Digital Phobics:

The development of a more suitable plan for me

Most-cited benefit shown. Source: Scorpio Partnership/Factset

Conclusion: Using data to mutual benefit

Increasingly sophisticated data capture is going to allow wealth managers to deliver a far more personalised and compelling experience – allowing firms to develop more holistic client understanding and make their proposition, online experience and information delivery far more relevant to each investor.

Striking the right balance between privacy and personalisation will be an ongoing challenge – especially in the wake of GDPR. But provided clients experience clear and ongoing benefits from sharing their personal data – and feel their data is wholly secure – wealth managers will be in a strong position to build even richer long-term relationships.

For More Information

Jenny Kvaskova

jenny@scorpiopartnership.com

About Scorpio Partnership

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