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## Digital Marketing Effectiveness Must Improve As Pandemic Continues

With digital marketing required to replace on-site interactions with allocators, asset managers are not very confident in the effectiveness of their current setup, according to a recent study led by Sondhelm Partners.

The report, *Weathering The Storm: How Boutique Asset Managers are Adjusting to the New Reality*, found that 40% of managers believe their websites, e-mail marketing, social media and public relations efforts are effective, while only 38% believe their virtual communications programs are as good as they can be.

While the findings show a significant percentage of firm's see the opportunity for improvement, the numbers did increase over a similar study conducted last year.

"I think the important part here is this jump started a lot of innovation for boutique managers in terms of their communication," said Dan Sondhelm, ceo of Sondhelm Partners.

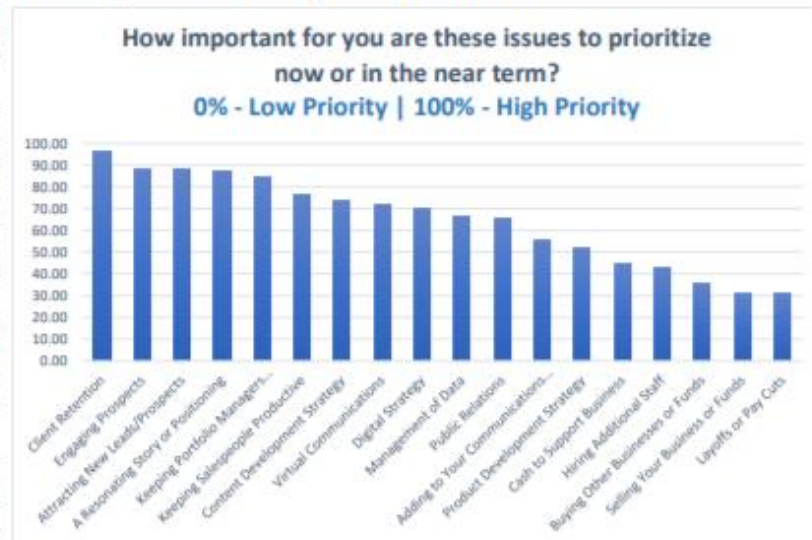
The need for continued innovation at firms is further highlighted by reduced travel and in-person meetings as well as a large move to virtual conferences during the pandemic.

"There is a lot of money to be re-allocated. While firms maybe are being careful with some of that money, I think they are being smart to invest in a stronger communications infrastructure," Sondhelm said. "Very few companies are even talking about getting on an airplane again, at least in the short term. That means there is budget to do other things to help you better compete."

Managers have largely focused on retaining existing clients through the initial phases of the pandemic, with 96% calling it a high priority item on their "to-do" lists, followed by 88% selecting remaining engaged with clients and prospects as well as attracting leads and prospects and 87% placing effective communication of their story and positioning high on the list.

"There is a lot of room for these firms to better communicate. The biggest issue seemed to be the commitment and

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the execution of creating content. That is a challenge," Sondhelm said.

Sondhelm stressed the importance of developing quality content that engages with the audience.

"You can have the best digital and virtual process in the world, but if you don't have good content, nobody is going to pay attention," he said.

Of further note, just 36% of managers feel that they have a strong public relations and media outreach strategy, with roughly one-third saying their efforts were not effective.

"Public relations, to me, is probably the most cost-effective thing a boutique firm can do. Nothing else give you the visibility, the credibility and leads you down a path toward thought leadership. Everything else you are doing yourself, everything else doesn't have that third-party endorsement. They are important but there is nothing more important than that third-party endorsement if you are trying to level the playing field with the big guys," Sondhelm explained.

While most managers expressed a conservative approach to spending and

hiring, Sondhelm said the biggest surprise he saw from the survey was the confidence managers are expressing currently.

Fifty-six percent of respondents expressed confidence in the future of the industry, with less than 10% having a negative outlook.

"There was certainly a share of firms that were looking for strategic partners, but I think because the markets recovered so quickly, firms still have the revenue and they still have the profits. At the end of the day they didn't look that much revenue in the scheme of things," he said.

Fifty-five firms responded to the survey, including 38 that have \$3 billion or less in assets under management and seven with more than \$30 billion. The respondents were primarily institutional-focused at 70%.

The report is available through Sondhelm's [website](#).

The survey was done in conjunction with a Sondhelm Partners' webinar that included EMM Editor Matthew McCue and Fund Intelligence Editor Julie Mansmann held in April.