MARKETING STRATEGY

Forced to do business online, fund groups adapt digital marketing strategies during pandemic

With the emergence of social distancing and limitations on gatherings industry watchers say money managers must get creative with outreach, education

Randy Plavajka March 16, 2020, 5:19 pm

American asset managers' marketing strategies have entered uncharted territory as world leaders have banned or advised against public events, large gatherings and face-to-face meetings as the novel coronavirus continues to spread around the world

Firms like **Capital Group**, **Vanguard Group**, **Transamerica**, **Franklin Templeton Investments** and **BlackRock** have been quick to address client bases, both in digital briefings and public-facing statements. Others have issued sparse to no content around a danger that industry consultants say could harm current and future clientele.

As confirmed Covid-19 case levels rise across the US, industry watchers say that money managers are quickly discovering that client messaging needs to evolve in order to account for social distancing and a society that has now been taken offsite to remote working spaces.

Industry conferences have been traded for longform videos and discussion-based phone calls, and in-person meetings with advisers have started pivoting toward a more digital experience.

Dan Sondhelm, CEO of asset manager marketing specialist **Sondhelm Partners**, told *Fund Intelligence* that the current environment creates an opportunity for managers to create marketing strategies where there once were none and improve upon existing methods to capture more leads and drive sales even while investor ambition may seem to be fading.

"I have never seen more interest for these sorts of [digital] strategies," Sondhelm said.

The current environment does not have much precedent to past market events, he added, including the downturn in travel and market activity that impacted the US in September 2001.

Travel cancellations have freed up capital that would have otherwise been spent on activations, sales leads and other business development opportunities, Sondhelm suggested. He said companies will redirect that capital to create, improve and bolster marketing channels online.

Renewed digital avenues

"A lot of firms are money managers – they are not marketers," Sondhelm said.

A hard pivot away from traditional physical marketing avenues gives fund groups the chance to level the playing field on social media and beyond, he noted.

The crucial part of getting messaging and content right, Sondhelm argued, is to first be producing it well on a consistent basis and secondly, being clear and transparent in what the near future looks like. Sondhelm said marketers, portfolio managers and client-facing representatives cannot leave investors to fend for turbulence on their own.

Lauren Colonna, principal at **Ovis Creative**, told *Fund Intelligence* that the present environment reinforces two core principles of her own practice: Always communicate, good or bad, and push benefits instead of features.

Asset managers can drive sales by increasing communication around Covid-19 and marketing volatility in a number of ways, according to Colonna. Highlighting the business fundamentals will reiterate a firm's long-term strategy and affirm clients as to why they are invested with a select provider in the first place.

"I always feel like clients need to just step back as opposed to reacting," Colonna said. "Being a little more thoughtful and transparent on the near-term challenges means the long-term fundamentals are reinforced."

Colonna said **LinkedIn** and other services, like email newsletters, are mid-level marketing territories that allow firms to reach a wide demographic swath of its client base for keeping investors up to date and informed.

Sondhelm said that some firms are just starting to realize the potential in such channels, as many industry professionals on the money management side are more accustomed to using the platforms for personal reference before distributing industry and market knowledge on it.

Both Sondhelm and Colonna contended that LinkedIn especially had untapped potential for asset managers in terms of handling marketing strategies during the coronavirus concerns and during more fair-weather conditions.

Authoring thought leadership pieces in LinkedIn natively was an easy avenue into building credibility and expertise, Sondhelm said, as well as joining relevant groups and participating in them as compliance regulations allow. Sponsoring content and paying for promotion also could be fine-tuned and targeted solely to audiences whose interests align with the asset manager's specialty or topic area overall.

Mindfulness for low-tech advisers

As face-to-face interactions have been discouraged in favor of social distancing, some firms have found themselves pivoting back toward video to attach some personality to messaging.

Capital Group launched a weekly seminar series to update investors on volatility; Vanguard has been airing conversations with leading managers on the market environment; and Transamerica carved an entire page out on its website for Covid-19 updates, to highlight a select few examples.

There will be no shortage of video content as all businesses pivot to digital channels. The key distinction asset managers must make, according to Colonna, is still targeting the lowest common denominator who may be technology-averse in some regard or another.

More traditional advisers and end-investors that have decades of experience under their belts may still prefer a physical letter, Colonna said. Firms should not underestimate the value of personalized, targeted communication toward clients in times where remote consumption is the only option on the table.

In addition to publishing short notes on news around the pandemic by its research thinktank, the BlackRock Investment Institute, the world's largest asset manager is opting to use a means of communication with which all clients are familiar: phones.

In response to continued market volatility, BlackRock will hold what it calls a virtual briefing every day at 2 p.m. EST. The program was launched on March 16 to provide BlackRock's "up-to-the minute views" on the markets, product positioning updates and guidance for advisers on what the upheaval may mean for end-investor clients.

Each call will feature BlackRock experts "discussing key products for portfolios" across asset classes. Topics for the first week range from narrower looks at municipal and high-yield bond markets to broad themes like "New Sources of Income" and "Volatility Creates Opportunity."

With defined contribution assets on a rollercoaster between equities and bonds in the current market, asset managers have the opportunity to stymy rash decision making by scaling communication frequency upward.

Colonna said one example she is currently deploying is a curated email of relevant articles and webinars focused around a central topic, such as cybersecurity during the Covid-19 spread. On a weekly or even daily basis, Colonna said asset managers need to be present for investors in order to spur loyalty and keep them from opting for a competitor.

There are digital signs that could indicate such a departure, like unsubscribing from email lists and decreasing website visitations, Sondhelm pointed out. Firms need to be proactive in seeing and predicting behaviors to maintain their client base as best as possible during volatility, he argued.

As public concern over Covid-19 eventually fades, Colonna said marketing strategies should be dialed back toward normal levels, though not shuttered altogether.

"If you communicate across all times with clients, they will respect you more and be able to weather through those dislocated periods with you because you've built a relationship with them based on communication," she said.

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