Copylab

12 ways

to make **fund commentary** your most valuable marketing document

Build lasting relationships with your clients, generate higher ROI and create real differentiation for your brand

Why fund commentary is underrated and how marketers can fall in love with it again

What do Tiger Woods, Bobby Ewing and tube tops have in common?

They were all written off and made remarkable comebacks.

We think the humble fund commentary deserves its place in this parade of ‘rags to riches’ stories.

You don’t think it’s possible? Our two-word rebuttal is: *Berkshire Hathaway*. Investors hang on every word of chairman Warren Buffett’s annual shareholder letter; it’s largely the investment vehicle’s only marketing communication (have you seen the website?).

In this five-minute read, you’ll discover 7 great reasons why CMOs should make their fund commentary a higher priority in their marketing toolkit – and 12 ways you can turn them into your most valuable marketing documents.

1 Performance still counts

It may not be a guide to the future. But let's be real. Investors buy performance, and fund managers sell it. Equally, investors sell out on bad performance.

So, here's the question. What are the most downloaded items on your website? For most of our clients, it's their fund factsheets.

We see some asset managers taking written commentary off their factsheets. This is usually at the behest of the sales director to get the factsheet published quicker.

Speed is the wrong KPI here.

Consider the ABC Fund Managers' flagship fund. It's outperformed over three and five years, but a bad 18 months has hurt the one- and two-year numbers. Investors are starting to sell out and ABC's AUM is haemorrhaging. Without even some basic context like "*growth stocks have been out of favour, but this will turn around in the next six months, so stick with us*", ABC isn't giving investors a reason to stay.

Tip 1:

Delay your factsheet by a few days and give clients context to your numbers.

Tip 2:

If that won't satisfy the powers-that-be, add in a big bold link to your separate commentary, where you can persuade readers of your funds' virtues.

2 The No 1 tool for customer retention

Every marketer knows that it costs more to acquire new customers than nurture existing ones. (Harvard Business Review estimated the figure at 25x.) In a fund management industry facing intense cost pressure, budget allocation should be a no-brainer.

Yet, most marketing departments still spend more on customer acquisition.

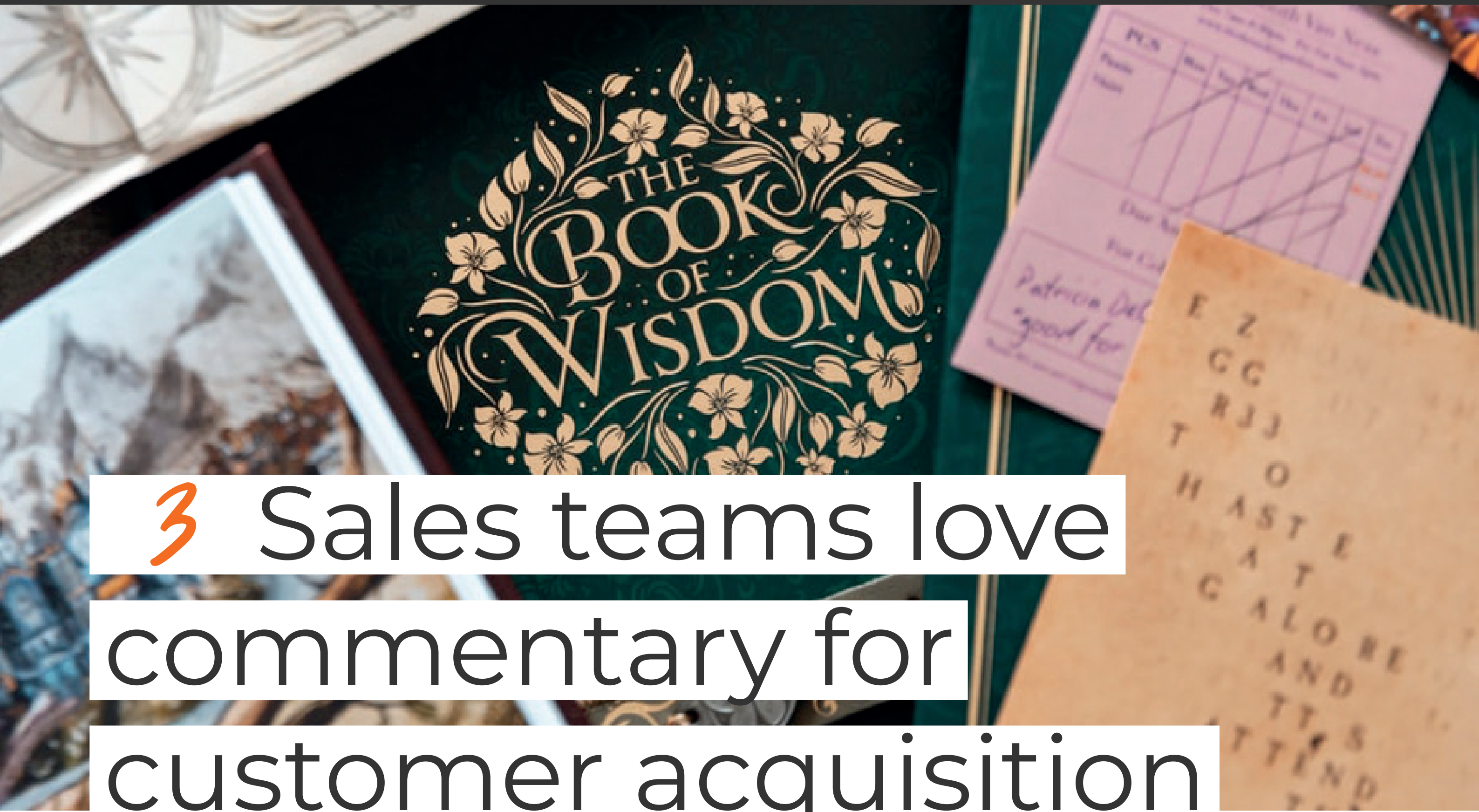
Sure, the thrill of the chase is more exciting than nurturing existing relationships. But if we marketers can drag ourselves away from the Tinder-like lure of hunting, there are some simple things we can do to defend hard-won AUM.

Tip 3:

Create a customer retention strategy (this blog post shows you how).

Tip 4:

Put more heart into your fund commentary – this may be the only document from you that clients read, so write with more empathy, honesty and humility to build a connection. For example, acknowledge that you know you're investing for people's retirements, own your mistakes and lessons learned, and share personal stories about encounters with company managers, brokers and other interesting people.



3 Sales teams love commentary for customer acquisition

Despite all the millions CMOs spend on content, marketing, advertising and digital strategies, fund management sales teams still use fund commentary as a sales document.

There are good reasons for this. At a prosaic level, fund commentary gives the salesperson a reason to get in touch with clients and advisers. But done well, the commentary can be a window into the manager's brain, heart and soul. It provides reasons for decisions that went well – and badly. And it gives insight into their crystal ball. It can emote and evoke, and entice people to invest in ideas that will make them more money and help them get nearer to their financial goals.

Tip 5:

Commentary that genuinely adds value must be more than a cookie-cutter document – it has to show real insight and skill; and it has to evoke an emotional response linked to people's real human needs.
Our blog post on this might help.

4 Build brand awareness

This is a dangerous time for fund managers. Our community of ultra-smart people have outsourced customer relationships to intermediaries like investment consultants, wealth managers and financial advisers/RIAs. As a result, very few fund managers have any consumer brand awareness and the service is essentially a commodity. Sorry, guys – look at the annual Interbrand survey: there are no asset managers in the top 100 (though some banks and insurers make the grade). What's going to happen if/when Google or Amazon enter this market?

Major upheaval may be unavoidable. But you can limit the damage to your own brand if you invest in building brand awareness with your 'end users'. (Intermediaries certainly aren't going to do that for you.)

If you believe our industry is headed for significant disruption, then a communications strategy for consumers and other end-users like pension fund trustees will be essential.

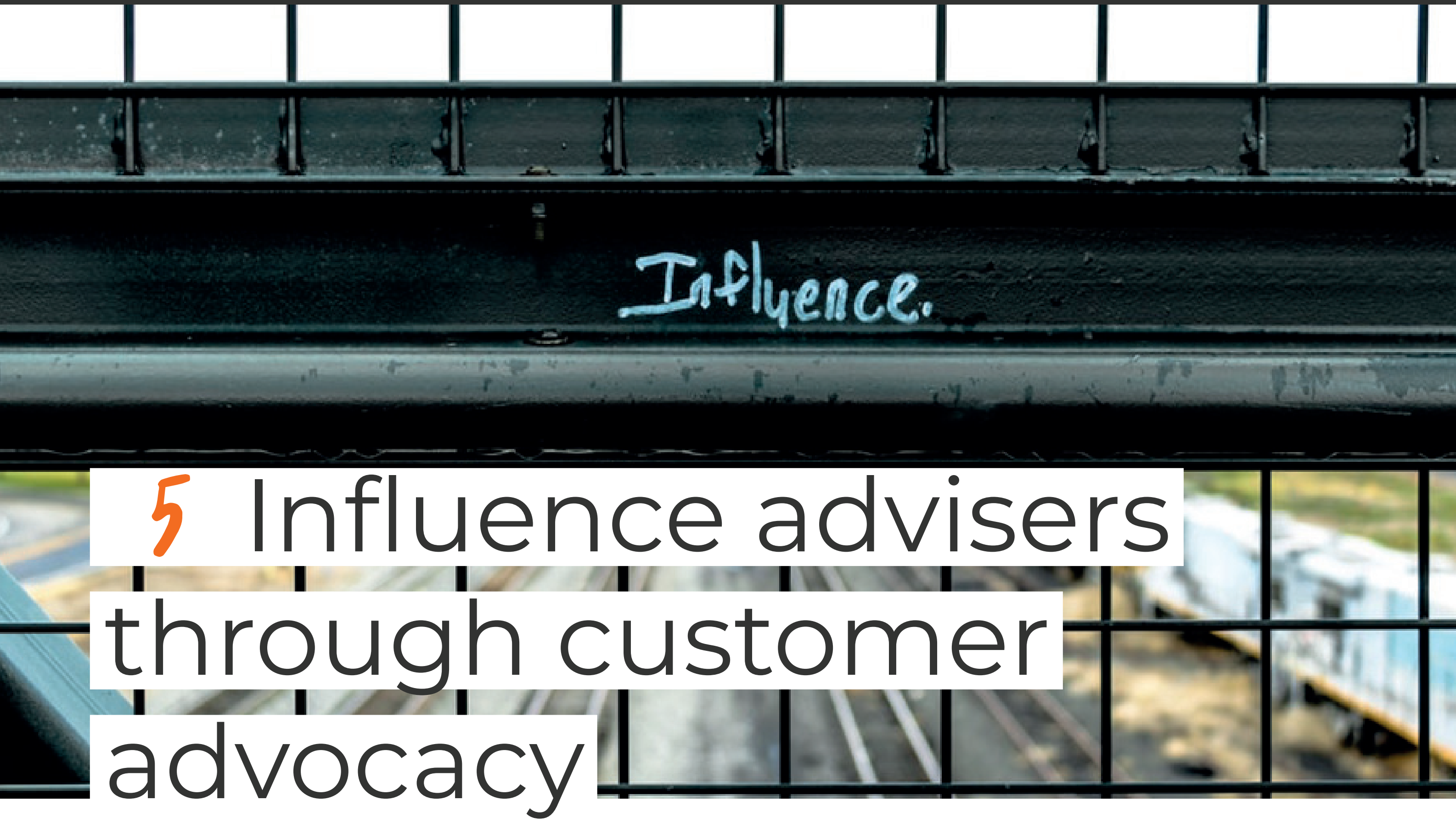
In a budget-constrained world – assuming you don't have an American Express-size advertising budget – an efficient way to start is by building up a small-but-fanatical fan base like Ferrari's tifosi. Regular monthly fund commentary is a cost-effective way to get started. But how?

Tip 6:

Just because fund managers sell serious services, we don't have to be stuffy. (Virgin Atlantic asks you to put your life in its hands, but it's still a relaxed and engaging brand.) Let's excite our readers with better commentary that they look forward to getting.

Tip 7:

Take this to the next level, and brainstorm more innovative ways of using your fund commentary platform to turn customers into fans. Think about engaging with influencers, experiential marketing, gamification, or different ways of using social media. We don't see anyone in the industry is trying this; let's see who'll become the pioneer.



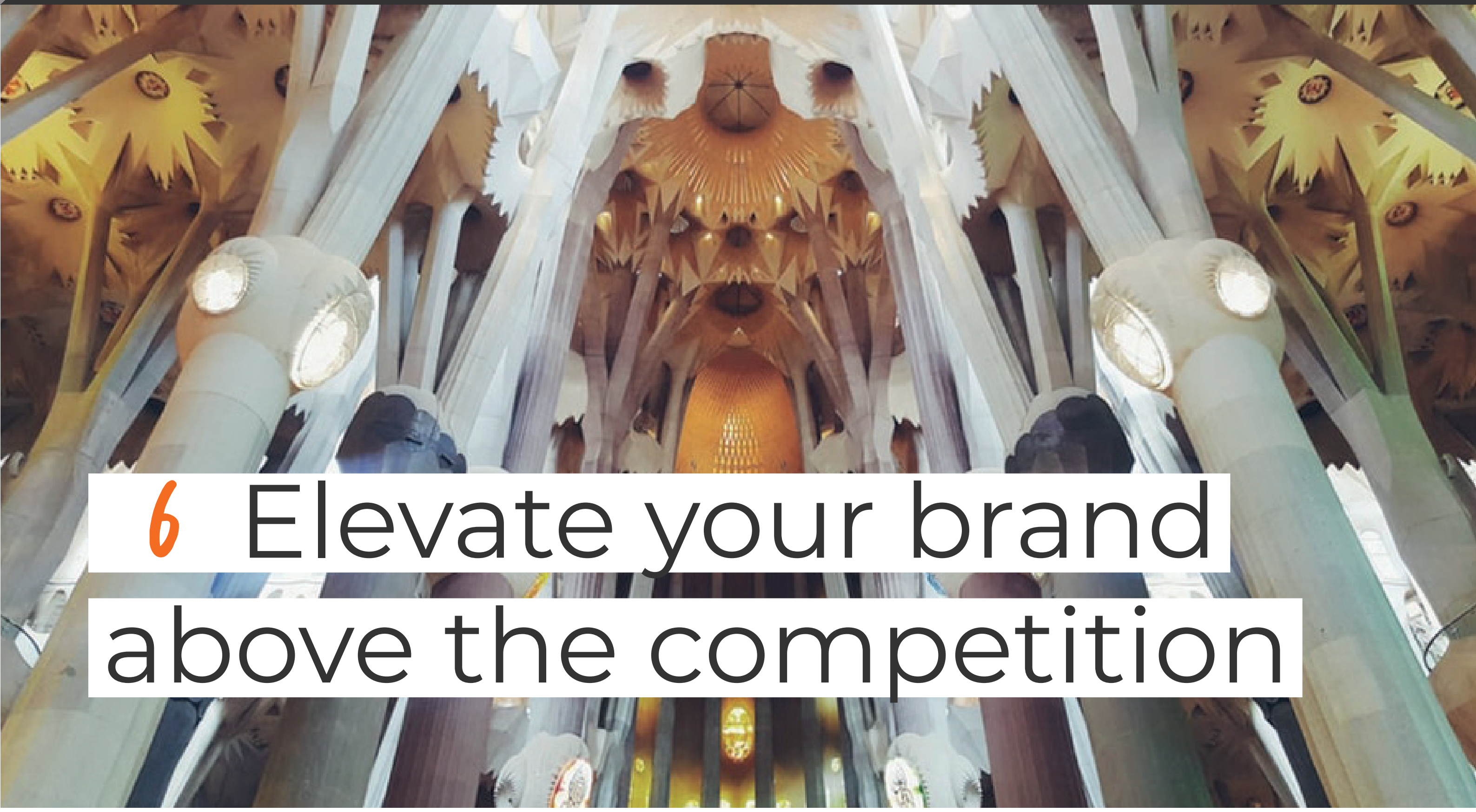
5 Influence advisers through customer advocacy

If we do a really good job of building strong advocacy among our end investors, this can help them influence all-powerful intermediaries.

Whether that's pension-fund trustees influencing their investment consultants or consumers influencing their wealth managers, building customer advocacy through regular, insightful commentary can be useful in protecting your AUM.

Tip 8:

In your commentary, why not include calls to action, along with your fund managers' email address or Twitter handle. In retail markets, ask readers to advocate for you: "if you're happy with the service you're getting from us at ABC, share this with your friends, your family and your advisers". Be confident.



6 Elevate your brand above the competition

Too many fund managers' commentaries read like 'painting by numbers'. There's a standard template that most managers follow – background; performance; activity; strategy/outlook. Why? Because it's efficient. The problem is that standardised reports make the ABC flagship fund look just like another commoditised fund.

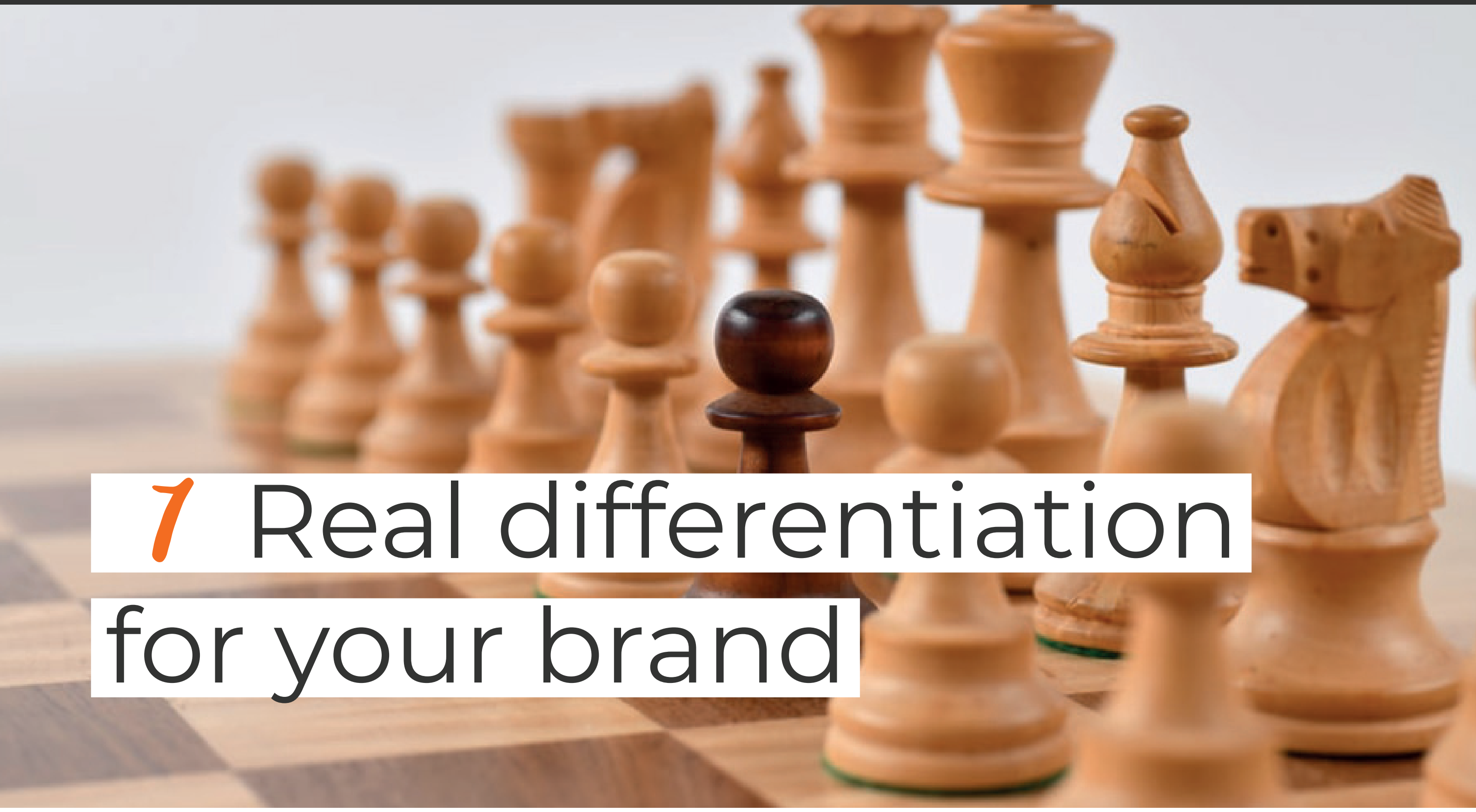
Worst of all, a standard template suggests you don't care any more than the people next door.

Tip 9:

Be different and show you care to elevate your brand above the competition. This should be relatively easy because 99% of the market publishes virtually identical reports. Get creative and think of ways of communicating in a unique way. Start with Berkshire Hathaway's annual shareholder letter for reference.

Tip 10:

Don't have the resources to get creative for 100+ portfolios? Well, start by focusing on your key funds – those with large AUM, key institutional clients, the star performers and the 'big dogs' (poorly performing large portfolios).



7 Real differentiation for your brand

Uncomfortable truth for writers – we know most fund managers' marketers don't care about fund commentary. It's up there with the dentist, taxes and government in the premier league of necessary evils!

For the savvy marketer – the one who wants to make the most of every opportunity to delight customers – this is great news.

It's great because there's a fantastic opportunity to stand out from the competition and truly differentiate your brand.

Tip 11:

Make fund commentary your flagship document. Make it personal; build a relationship; build a brand.

Tip 12:

Once a month, interview your manager (on video if possible) for one hour. From that conversation, you should elicit enough insight to create more than 30 pieces of content (from micro social media messages to blogs, from vlogs to podcasts, and your pillar item – the commentary).

Contact us

Ask us to audit your commentary programme and find out how much we could save you. Contact Stuart, John or John today to find out more.

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