Canadian Financial Services
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Optimizing the wealth consumer engagement journey

In this series, we'll explore how wealth managers can improve client experiences and develop lasting relationships

Focusing on the Buy stage

Stage 1: Entice	**Stage 2: Buy**	**Stage 3: Serve**	**Stage 4: Engage**
Customers recognize their need for financial knowledge and advice, seek education, and explore marketplace offerings.	Customers express their needs to potential partners and then select those who are the best fit. At this stage, it's time to provide them with a positive onboarding experience and to create and activate their initial plans.	Account and relationship-management services, along with engagement, are the tools used to support clients through life changes and towards their objectives.	Client relationships are deepened by providing a superior experience and facilitating intergenerational wealth transfer.

Stage 2: Buy

Customers express their needs to potential partners and then select those who are the best fit. At this stage, it's time to provide clients with a positive onboarding experience and to create and activate their initial plans.

The key question for wealth managers

How do we make interactions easier and richer, and ensure a holistic understanding of each client's needs and assets through a detailed discovery process in order to effectively convert prospects into long-term clients?

Top considerations for wealth managers

- **Prolonged buy process:**
  Buying is not a linear, instant process for wealth advice, because it involves discovery and plan presentation—the foundation on which good advice and relationships are built.
- **Personal relationship:**
  The fit with an advisor is an important criterion in a prospect's buying decisions.
- **Security and accessibility:**
  Wealth discussions are intrinsically personal, sensitive, and bound by regulation. This means they must follow specific requirements for security and record-keeping, which affects accessibility.
- **Switch versus first time:**
  Most new clients are switching from another advisory service rather than becoming first-time investors. At present, it's not onerous to switch.
- **Diverse client needs:**
  Wealth offerings must match diverse client preferences and evolving needs. This means a one-size-fits-all approach to offerings does not work well in financial services.

Opportunities in the buying stage

	Opportunity	Statistics	Why this matters
1	**Pair client data and digital tools to design more insightful discovery and proposals.** With clients expecting more personalization and value-added services, data paired with digital tools is becoming a key differentiator for advisors throughout the discovery and pitching process.	**51%** of financial advisors are thinking about leaving for an organization with better tech tools.[1]	As digital expectations continue to grow, prospective clients are expecting the same experience from advisors that they receive from adjacent tech providers. This request can be met by pairing client data with digital tools to personalize insights and identify key moments that matter to the client, augmenting the discovery process for both client and advisor. Nuanced processes can be automated (e.g., computerized data collection), which allows advisors to focus their efforts on advice rather than manual tasks.
2	**Build cohesive, consistent prospect-interaction channels and human-digital hybrid approaches.** Using analytics systems to identify the best channels with which to interact with specific prospects and augmenting traditional advisor interactions by leveraging digital technologies will increase prospect conversion.	**61%** of clients expect to use both digital and off-line channels to access financial services.[2]	With prospects tending to stick to their favourite channels, advisors must design discovery experiences that are cohesive and consistent across multiple channels. Leading firms are equipping their advisors with best-in-class acquisition tools with which to create interaction and conversion strategies and are integrating digital tools into their sales and engagement models. For clients, digital capability is a key factor in decision-making, especially since the onset of the pandemic.
3	**Develop a frictionless onboarding experience for prospects.** Creating an effective onboarding experience is essential for establishing a strong first impression and reducing the chances of drop-off before clients are fully committed.	Nearly **1/2** of wealth managers cite digital customer onboarding as the biggest front-office area of their tech investments.[3]	Streamlined onboarding and reduced frictions throughout the process (e.g., by using instant identification verification) are essential to starting a wealth relationship on a positive note. Wealth companies can use technology, including artificial intelligence (AI), to make the entire process fast, simple, and seamless in order to prevent client drop-off during onboarding. The digital experience must be intuitive and engaging, making it easy for clients to find information and make the choice to buy.
4	**Apply behavioural-science techniques to simplify journeys and incentivize conversion.** It's important to ensure prospects are motivated to purchase wealth services before prompting conversion.	**100+** cognitive and emotional biases can be tapped to influence an investor's judgment and decision-making process.[4]	Wealth management companies that offer free tools and trials allow prospective clients to get a sense of ownership over their financial planning, leading to a greater likelihood they'll purchase. To build trust, it's important to be transparent about the benefits wealth services can offer and to provide clear guidelines about whether services are affordable and accessible for the client (e.g., detailing the amount of time and effort required). The nudge toward purchase should come with good intent and at the appropriate time.
5	**Use data-driven tools to determine the best fit for clients** Capitalizing on data-driven tools to better understand clients in the onboarding phase allows advisors to recommend personalized solutions for each client's needs.	Using advanced analytics and data can reduce client attrition in wealth by **15%**.[5]	Starting the investment journey can be overwhelming: clients who want to begin may not know how to do so or may not know how to assess which advisor is right for them. Using customers' data allows wealth firms to personalize the buying experience by recommending services that best meet each client's specific needs. This may also improve client retention.

Endnotes

1. Broadridge Financial Solutions, "Current Wealth Technology Tools Not Meeting Financial Advisor Expectations, According to Broadridge Study," press release, Aug. 18, 2020.
2. Jonathan Valenti and Ryan Alderman, "Building on the digital banking momentum," Deloitte, Sept. 7, 2021
3. Wealth 4.0: gx-fsi-wealth-4.pdf (deloitte.com)
4. https://www.pimco.ca/en-ca/resources/education/how-behavioral-science-can-help-make-you-a-better-investor/
5. Wealth 4.0: gx-fsi-wealth-4.pdf (deloitte.com)

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