



Predictions for 2018

A Fortune 500 firm, IM incumbent, or digital experience leader offers an integrated digital customer experience investment platform that raises the standard for

customer experience, outpacing smaller stand-alone fintech startups in the US and European markets, and raises AUM at an unprecedented pace. Why? Because there seem to be millions of underserved customers with small balances, and technology has reached a level of capability and ubiquity that enables acquiring and serving them profitably.

Fintech and IM will likely continue to complement each other with new products and approaches gaining traction within niche markets. Robo-advice is expected to see continued, but slowing, growth as the base expands. Newer community-based approaches to IM may see faster growth, but the base will likely continue to be small in 2018. Millennials, a potential target segment for community-based investing, are still expected to control just a minority of the wealth.



Action steps

To keep up with the ever-changing customer service landscape, it is important for IM leaders to monitor current customers and to understand new customers. There are many questions to answer to reach this understanding.

- What are their service preferences?
- How were they won?
- How healthy is the relationship?
- What is the cost of acquisition?
- How profitable are they?

- How does my customer profile differ from key competitors' customer profiles?

- Is there a customer segment that should be targeted?

Once important customer information is gathered and understood among management, a digital service strategy can be developed. Matching products and services to target segments over time is one of the important goals of the strategy, recognizing that target segments and their preferences will likely change over time. Most firms will likely adopt an incremental-change strategy, while a few standouts will likely aim for quantum change. There is probably no single digital strategy that is right for all IM firms, but it is likely that most successful firms will have a coherent digital business strategy.