








The Business Case For

# A Digital Marketing & Compliance Platform in Financial Services



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# Introduction

The convergence of digital, social, and mobile technology is changing consumers' behaviours, preferences, and most importantly, expectations.

Although consumers' behaviour is changing, financial institutions have been traditionally slow to change and evolve with consumer expectations.

There are legitimate reasons for Financial Services' resistance to change. Their size, complex back-office technology, and the need to comply with FINRA and IROCC regulations, make it difficult for them to adapt existing infrastructure and processes to meet the growing digital needs of their Advisors and clients.

***Tighter controls are creating more siloed approaches to marketing...***

Financial Advisors are also facing a tougher regulatory environment. What they can and cannot communicate online is becoming more closely monitored. Fraud scandals compounded by the recent economic downturn have given regulators more reasons to implement tighter restrictions and controls, thus slowing down their processes. Unintegrated departments and channels compound turnaround times and force wealth management firms to add more compliance resources to keep up with the demand. Tighter controls are creating more siloed approaches to marketing, compliance, risk and legal reviews. The KPIs become more about reducing risk versus turnaround times and producing effective marketing programs. Additionally, challenges for marketing success in Financial Services include unique and complex sales and distribution channels, unique buyer segments and personas, and large product offerings.

***These are just some of the many inescapable aspects of marketing in the financial industry today.***

# A contradictory situation

Slower turnaround times, increase in required resources, and less attention to producing effective marketing programs creates a contradictory situation in an industry where speed and agility are not only synonymous with being competitive but also critical to staying current with existing customer needs. Digital marketing is both a fluid and crowded medium, yet, it is also the cheapest and most effective way to reach both prospects and clients. This seemingly contradictory challenge is one that many financial institutions are attempting to decipher, but have not yet solved. In fact, fewer than 15% of banks have mature digital marketing strategies<sup>1</sup> while 67% of their consumers feel the traditional and digital experience they receive from their bank is somewhat or not at all seamless<sup>2</sup>.

The digital revolution is influencing the Financial Services industry. Today, more than one in four customers would likely consider a branchless digital bank<sup>3</sup>. Financial Services institutions will soon have no choice but to adopt a range of digitization strategies to meet the new and evolving needs of the omni-channel customer. In addition, it has never been more important for Financial Advisors to use digital marketing to compete for leads and sales.

*This eBook will discuss the considerations for a digital marketing program from the perspective of the Financial Marketer and Compliance Professional.*

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# Investor behaviour has evolved

Investor behaviour has evolved so much that Financial Marketers and Advisors are often left wondering when and how they lost touch with clients and prospects. The wide availability of easily accessible information is perhaps one of the biggest changes that digital has had on investing. Today's individual investors are exposed to many sources of information and are no longer limited to just their Financial or Insurance Advisor for advice.

Although Investor behaviour has changed, the way that Financial Institutions and Advisors interact with their clients and prospects has largely remained the same. Instead of responding and updating in real-time, Financial Marketers and Advisors often spend too much time on the paperwork required to ensure compliance, and as a result are struggling to anticipate, react to, and capture opportunities.

A robust online presence for Advisors is crucial for Financial Institutions. But, Advisors have been traditionally treated as static brochure sites lacking the interactive features and relevant content required in today's competitive digital landscape. This is due to both perceived lack of value and the challenges associated with head office marketing and compliance teams' ability to scale their services to large teams. In addition, when local Advisors create their own digital programs, there is no way to ensure that all content that is published is compliant with the brand.

As a result, Financial Institutions have missed the opportunity to increase their reach and impact of marketing campaigns through their front line agents. All of these problems impact marketing effectiveness and compliance risk resulting in inconsistent branding on Advisor sites, and limited reach and scalability.

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# Considerations for the Enterprise Marketer and Compliance Professional

The rise of the digital revolution requires marketers to adapt and provide consistent experiences across the customer journey. As a Financial Marketer overseeing Advisors who are determined to digitally market themselves, and your brand - the issues and challenges are more complex.

In addition to ensuring your Advisors are 'on brand' and compliant, it is also your job to help your Advisors thrive. In a world where 87% use the Internet to find local businesses and services, Advisors need to be able to communicate online unique representations of the Financial Institution's brand in order to reach and represent the infinite segments and personas. They also need to be able present online to have one to one digital conversations with prospects and customers. Deploying timely marketing solutions for your brand and for your Advisors, while complying with regulatory, is a challenge. Ensuring your corporate brand is consistent across the omni-channels while quickly and effectively helping your Advisors go to market, is additionally challenging.

Furthermore, the relationship between digital marketing and compliance is complex. Compliance professionals are challenged with managing legal and regulatory rules for everything their Advisors publish online. Many compliance teams are stuck using paper trails and audit binders, without digital archives for content edits and revisions.

Unproductive marketing and compliance holds your organization and Advisors back, and can often lead to marketing that is outdated or diluted by the time it is finally published. Even worse, it can result in zero Advisor marketing efforts and static brochure websites. A messy compliance process can also cost your company money, fines and negative PR.

***Many compliance professionals are stuck using paper trails and audit binders...***

# Do your Advisors have the tools they need to succeed?

We've heard this before – 87% of consumers are researching products and services online before purchasing, and 57% of the buyer's journey is completed before the buyer talks to a sales person<sup>4</sup>. Evidently, it is critical to have the online tools to reach and attract consumers during the research phase. A lack of an online presence means that your Advisors are irrelevant to the consumers using online channels for their research. This means, marketing support for Advisor's digital presence is more important than ever.

Financial institutions and Advisors are facing more competition on every front, including discount suppliers and robo-advisors. Clients are increasingly turning to online resources to learn about investment updates, to get advice, insights, and services.

*Fidelity's research finds that 58% of emerging affluent investors have a significantly more positive impression of Financial Advisors who have a good website. Of those affluent Investors, 38% of those follow their Advisor on social media sites and 30% say they are more likely to relate to a Financial Advisor who has a social media presence<sup>5</sup>.*

*The Putnam Investment 2015 Social Advisor Survey points to social media as having become an increasingly essential client communication and business-building component for Financial Advisors across the industry. The use of social media by Advisors is also translating into concrete business results. According to research by Putnam, the "share of Advisors acquiring new clients through social media is up sharply to 79% (from 66% in 2014), with the average annual asset gain from these clients standing at \$4.6 million<sup>6</sup>."*

It is clear that a website and social media presence are indispensable communication tools for Financial Advisors in their day-to-day interactions with clients, and prospects.

# Do your Advisors have the tools they need to succeed?

Websites provide Advisors with an online home where potential customers can find and discover their value, while also providing a place to share content, extend marketing efforts and develop new business. Without the tools to communicate digitally and build an online presence, Advisors run the risk of becoming irrelevant, and missing out on the opportunity to establish and build online relationships.

Let's take the example of Darren Alexander, an Investment Advisor and Certified Financial Planner at Manulife Securities Incorporated. A couple had just moved back to Canada from Mexico and were looking for an Advisor. They referred to Google search, typed in "Financial Advisor Surrey, BC", found Darren Alexander's website rich with relevant, timely and unique content. The couple arranged a face-to-face meeting and invested about \$500,000 with Darren. Without a dynamic and relevant online presence, the couple likely would not have invested with Darren.

*How many clients and how much revenue are your Advisors losing out on by not having a effective, lead generating, and compliant online presence?*

***A lack of online presence means that your Advisors are irrelevant to the consumers turning to online channels to do their research.***



# Do you have the tools you need to help your Advisors thrive?

Financial Institutions are recognizing that most of their clients and clients' children, who are poised to inherit \$41 trillion in wealth over the next 40 years, are online. To "be where your clients are," banks must embrace technology to establish closer ties to prospects and clients. Websites and content marketing have become the indispensable hub of the Advisor digital marketing program - and a key way to improving client service and extending distribution. But how can financial institutions do that while taking into account their unique and strict FINRA and IROC guidelines?

Cloud based technology can reduce marketing and compliance efforts and combinemarketing tools, processes, and compliance into one automated system. The result is increased efficiency and scale, improved automation, and shorter turn-around times for marketing programs and compliance approvals. This type of technology can simplify the digital marketing and compliance process by setting up and controlling brand standards in an automated tool, while also helping Advisors to grow their AUM through websites, unique campaigns, content and email marketing, analytics, social media and blogging.

Empowering the Advisor to create (or have one created for them) a unique online presence with flexible and agile marketing capabilities is a great first step to remaining competitive. A platform that also ensures corporate marketing retains corporate brand and message control, with one click compliance, and built in brand standards, will make it easier and even reduce compliance headcount. A streamlined and automated process allows Advisors and Marketers to capitalize on opportunities by getting to market with the right messaging quickly and effectively.

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# Considerations for the Enterprise Marketer and Compliance Professional

- An international insurance firm generated > \$200,000 in new annual recurring revenues (in one territory) by selling the platform to their Advisor channel under their own brand name.
- This same firm reduced time spent approving content for market from 10 days to less than 1 day.
- Another bank's wealth division doubled their content client readership in 5 months with a 40% click-through rate (CTR).
- A wealth management firm transformed their marketing culture with many of their Advisors noting a revenue and lead increase.
- A wealth management firm scaled their organic online presence by providing hundreds of Advisors with a unique and compliant website in under 4 months.
- The same firm shortly thereafter, increased a Financial Advisors AUM by over 25% within the first 3 months of his website.
- Helped an Advisor gain \$500,000 in new business thanks to a prospect organically finding his website on Google search.
- The majority of firms on the Brokerage Report Card, who implemented a Digital Marketing and Compliance platform, showed increased Advisor satisfaction year over year by providing Advisors the autonomy to market themselves compliantly.
- Helped a Financial Institution drive 35,000 visits to their Advisors' websites in one month.

# How does a Marketing and Compliance platform work?

Digital Agent, a Marketing and Compliance platform, combines an easy-to-use, robust content management system with built-in automated compliance and brand standards; all content and images published by the Advisor is automatically pushed to compliance for review before going live. The tool streamlines the review and approval process resulting in a better and more efficient experience for all parties.

The tool also enables Advisors to create a compliant, mobile responsible website with features such as a pre-approved content library, one-click compliance, email and event marketing, blogging tools, content schedulers, and integrated website and visitor analytics. Digital Agent has helped one large financial institution reduce their time spent approving content from 10 days to less than 1.

***The tool streamlines the review and approval process resulting in a better and more efficient experience for all parties.***

The technology provides “front end” tools to help an Advisor with the creation and submission of content, as well as automated “back end” tools for the Compliance Department to review all of the content prior to the content being published. It allows the compliance team to be confident that any content on one of their Advisor websites has been vetted and approved.

Digital Agent helps to organize and accelerate the Advisor website and content process, while also providing a digital trail for compliance audits. The tool tracks content reviews, before and after edits, as well as archives all notes and in-page reviews. It also provides the compliance and marketing team with valuable analytics to help improve productivity, which in turn results in more effective and efficient marketing for Advisors and organization. The compliance workflow lifts concerns about compliance because what was once a digital email trail is now a digital process programmed to conform to brand regulations.

# How does a Marketing and Compliance platform work?

In summary, the implementation of Digital Agent to Financial Institutions achieves four primary outcomes:

- Provides Financial Advisors with a unique, dynamic and compliant online presence. The solution allows Advisors to market unique representations of the Financial Institution by targeting different segments of the population. A targeted and dynamic online presence results in higher response and conversion rates, repeat clients, an amplified reach and increased content relevance.
- Enables Corporate Marketing to achieve greater scale and impact in their marketing campaigns without a huge increase in spend; enables them to get to market quickly and effectively through their Advisors.
- Streamlines the compliance process, and saves time and money, by managing and centralizing marketing and compliance workflow.
- Drives growth, loyalty and profitability by providing a compliant and engaging presence for Advisors that would help them to reach new markets and increase client base and AUM.

# Conclusion

Financial institutions that develop a dynamic Advisor digital marketing program will give themselves a head start in capitalizing on its advantages, which include increased AUM, stronger client and prospect relationships, reduced compliance costs, and enhanced risk management and regulatory compliance capabilities.

Change is coming to the Financial Services sector, and institutions must decide whether they will start to fall behind or evolve with consumer behaviour. The longer Financial Institutions wait, the more difficult the challenge will become for Advisors and brands, and the more ground they risk losing to competitors.



# Footnotes

1 <http://thefinancialbrand.com/54885/2016-digital-marketing-trends-in-banking/>

2 [https://www.accenture.com/ca-en/~media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries\\_5/Accenture-2014-NA-Consumer-Digital-Banking-Survey.pdf](https://www.accenture.com/ca-en/~media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries_5/Accenture-2014-NA-Consumer-Digital-Banking-Survey.pdf)

3 [https://www.accenture.com/ca-en/~media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries\\_5/Accenture-2014-NA-Consumer-Digital-Banking-Survey.pdf](https://www.accenture.com/ca-en/~media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries_5/Accenture-2014-NA-Consumer-Digital-Banking-Survey.pdf)

4 <http://www.investmentexecutive.com/-/brokerage-report-card-2016>

5 <https://www.putnam.com/about-putnam/press-releases/over-80-percent-of-financial-advisors-use-social-media-for-business-according-to-2015-putnam-investments-social-advisor-study.jsp>

6 <https://www.putnam.com/advisor/content/advisorTechTips/2488-2015-putnam-investments-social-advisor-survey/?pr=091615>