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Brand reputation key to mandate wins

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By **Matt Woodington** | In **Investment**

When choosing new managers, brand reputation is an important investment criterion for more than half of institutional investors, new research suggests.

According to Cogent Research, two thirds of US institutions plan to add at least one asset manager in the coming year, with activity among those with more than \$1 billion under management significantly higher.

But only 10 out of the top 38 US asset managers have achieved both high levels of awareness and favorability among institutional investors, Cogent found.

While underperformance relative to benchmarks is still the main reason for dropping managers, according to 69% of institutions, straying from investment competencies also accounts for around 10% of decisions.

Performance, philosophy and organisational stability remain core selling points for managers but things such as thought leadership are key to differentiating their brands, which is important for winning new business and minimising attrition.

"One of the bits of feedback we heard from pension funds in the US was that they are really sick of the old 'white paper'," said Carden Calder, managing director BlueChip Communication.

Calder said that the research findings in the US mirrored trends in Australia and it was crucial for managers to present high quality content in an innovative way.

"We're starting to see some of that here where managers are beginning to look at things like video, they're starting to look at interactive ways of delivering thought leadership," she said.

"They're looking at how they can do that using social media channels as opposed to just the traditional document that is not necessarily the most engaging piece of material that's going to come across an asset consultant or a fund trustees' desk."

The Cogent research suggests that another brand territory that asset managers and their marketers can play in is philosophy.

"Some of the marquee brands here in Australia are very good at articulating philosophy and getting that message out.

"But that's used in pitch processes but not as much as it could be in marketing activity and mass communication," said Calder.

This story was found at: <http://www.financialstandard.com.au/news/view/12363164>

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