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Which Fund Firms Excel at Connecting with Advisors?

By *Patricia Kelly*

Best-in-class providers effectively balance quantity with quality in communications with advisors, a new **Cogent** study released Wednesday reveals. The 2009 Advisor Touchpoints report, which examined the communication practices of over 35 product providers spanning the mutual fund, variable annuity, and ETF industries, examines a number of facets that impact a provider's ability to foster a feeling of "personal connection" with advisors.

Star mutual fund performers include behemoths American Funds, Franklin Templeton, PIMCO, and Fidelity Investments/Advisor Funds. The Hartford and Russell Investments also earn praise for their ability to connect with advisors. The crown went to iShares in the ETF provider category, while Prudential Financial and Jackson National Life are top-ranked among variable annuity providers.

By sheer frequency of contact, John Hancock Funds and Evergreen Investments are on top of the heap, each averaging 16 advisor client contacts per month – more than double the industry average of seven. In the ETF arena, Rydex contacts clients 11 times per month on average, trouncing the industry average of five.

"For smaller companies, the more client touches the better," concludes **Carrie Merrick**, a senior analyst and the author of the study. While frequent communication is generally considered a positive trait for all providers, Merrick indicates that larger firms with established brands – like AmericanFunds -- do not appear to need to reach out as often.

Perhaps predictably, the report surmises that tailoring strategies to a specific advisor's needs is key to developing a strong relationship. Findings illustrate that advisor needs differ greatly based on advisor practice models and investment approaches, citing RIAs' preference for electronic communications over phone calls as evidence.

"Right now, for example, providers are jockeying for the attention of the fast-growing RIA segment. However, our research shows it would be a mistake to simply deploy a traditional communication strategy with this group," warns Merrick.

The study's findings shed light on the increasing significance of technology in communication. A rise in electronic correspondence has been seen in specific areas such as monitoring performance and providing quick updates on products. The report reveals some surprising findings, according to Merrick, such as "the importance of a website visit in driving sales."

The report's findings are based off of data collected via an online survey of a representative sample of 1,529 advisors in the U.S. with a minimum of \$5 million in assets under management. Key metrics taken into consideration included brand impression, loyalty, and purchase intent. 