

# INVESTOR BRANDSCAPE™



Measuring the Impact of Brand and Loyalty on Revenue in the Affluent Marketplace



## The report covers the following areas:

### Affluent & High Net Worth (A/HNW) Investors

- Planning & Retirement Preparedness
- The Investor/ Advisor Relationship
- Investment Product Allocations

### Distributor & Mutual Fund Company

- Brand Equity
- Market Share
- Revenue & Loyalty
- Competitive Threats & Opportunities

### Strategies for Measuring & Strengthening the CoRe Score™

#### Appendix:

- VA Provider Market Share & Loyalty
- Differences Among Investors That Use Advisors & Those That Don't
- Detailed Provider Loyalty Tables
- Sample Highlights

## This report will help financial services executives:

- Enhance segmentation strategy
- Improve marketing & communications
- Increase market share
- Boost profitability
- Augment competitive positioning
- Spark corporate action

## Study Methodology

Annual survey of a representative sample of 4,000 US households in the following asset classes:

- \$100K - <\$500K in investable assets
- \$500K - <\$1M in investable assets
- \$1M + in investable assets

Robust sample allows for analysis of key demographic and behavioral segments, including wealth, generation, distribution channel, advisor usage, etc.

## Featuring the CoRe Score™ – a new standard in competitive analysis

The CoRe Score™ is a measure of distributor or mutual fund company skill at maximizing revenues from current client relationships, as well as the firm's ability to increase market share in the future.

Developed by Cogent Research, the CoRe Score™ improves upon the traditional practice of looking at key industry measures in isolation. The CoRe Score™ is a composite score that blends Customer Loyalty, Brand Equity, Revenue, Client Affluence, Relationship Depth, and Share of Wallet. By taking a holistic view of current strength and momentum, the CoRe Score™ provides a more accurate view of the long-term profitability and growth potential of your firm.

## Sample of 2007 Study Findings

- The range in CoRe Scores™ is far greater among mutual fund companies than it is among investment distributors, as a handful of mutual fund companies have successfully distanced themselves from the rest of the pack
- A third of Affluent/HNW investors have assets invested in the retirement plan of a former employer – the average assets held in former employer plans is \$259,521
- Firm revenue generation on a per client basis, among both distributors and mutual fund companies, varies greatly due to differences in client wealth and wallet share
- While recent investment performance is the leading driver of mutual fund satisfaction, consistency of performance is the #1 driver of loyalty
- More than two-thirds of leading mutual fund companies earn negative customer loyalty scores, meaning these firms have more client detractors than supporters





# INVESTOR BRANDSCAPE™

continued

## INSIDE THE REPORT

### Specific Distributor & Mutual Fund Company Data on:

Leading distributors & leading mutual fund companies

#### SCORES & AVERAGES

- CoRe Score™
- Customer loyalty score
- Ownership score
- Revenue score
- Brand equity score
- Brand awareness
- Market share of relationships
- Length of client relationships
- Wallet share
- Client affluence

#### INSIGHTS INTO

- Investor impressions
- New account generation
- Converting ESRPs to brokerage business
- Account ownership
- Loyalty and satisfaction
- Reasons for account termination
- Client assets in terminated 401(k) plans
- Competitive threats and opportunities
- Household penetration across accounts
- Companies associated with specific investment styles and services

### Insights Into the Affluent/HNW Investor

- Retirement and financial planning mindset and behaviors
- Advisor role in decision-making
- Relationships with financial services providers and advisors
- Risk tolerance
- Account and product usage and allocations
- Drivers of satisfaction and loyalty
- Differences by wealth segment and generation
- Banking and credit card relationships

### Report purchasers will receive:

*Strategic Report:* Featuring in-depth analysis of survey questions, detailed summary of findings and strategic recommendations

*On-site Strategy Session*



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## What a Difference Two Years Can Make

While our first Investor Brandscape™ survey was in the field in late October 2006, the Dow reached a new all-time high of 12,164 — representing a 67% gain over the October 9, 2002 closing of 7,286. With the exception of a modest July correction, the overall momentum in the market that year had been mostly positive. Inflation fears were dissipating, and investors were finally starting to get comfortable with the idea of sustained economic growth, rebuilding their nest eggs after the dot-com debacle.

During the two-week October 2008 data collection period for this year's report, the Dow was ricocheting between 8,400 and 9,400, with the market producing several of the most dramatic one-day point swings witnessed in history. The Dow had lost 53% of its value off January and May highs. Gone were the '07 predictions of a “soft landing,” and investors found themselves openly contemplating the potential for a worldwide recession, or worse.

None of our clients will be surprised to learn that overall investor satisfaction with asset managers and distributors is down this year. The strong correlation between performance and satisfaction has been well documented. The surprises will come in revealing how individual company brands have fared in this market relative to their competition. While some firms have increased market share, other, once untouchable, brands have suffered noticeable losses to their reputations and market share due to their credit related investing and trading strategies with some brands even disappearing completely as a result of merger activity. Furthermore, as investors' product preferences and planning choices continue to evolve, we see numerous examples of providers that have demonstrated an ability to effectively adapt to these changes, thereby capturing investor mind share and, by extension, reshaping the competitive landscape.

An overarching finding from the research is, despite all the turmoil in the market and deep concerns among investors about the economy, we do not detect behaviors or attitudes that would suggest wealthy Americans are panicking. Instead, there is strong evidence of something approaching stoic resolve among investors as they weather the current storm, waiting for, and anticipating, better days ahead.



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## About Cogent Research

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COGENT RESEARCH helps clients gain clarity, obtain perspective, and formulate direction on critical business issues. Founded in 1996, Cogent provides custom research, syndicated research products, and evidence-based consulting to leading organizations in the financial services, life sciences and consumer goods industries. Through quality research, advanced analytics, and deep industry knowledge, Cogent Research delivers data-driven solutions and strategies that enable clients to better understand customers, define products, and shape market opportunities in order to increase revenues and grow the value of their products and brands.

# Subscription Agreement

## Investor Brandscape™: 2009

### DELIVERABLES:

- **Strategic Report:** Written report containing in-depth analyses of survey questions (overall and by key subgroups) and detailed summaries of findings and strategic recommendations.
- **On-site Strategy Session:** A presentation of findings and facilitation of strategic discussions.

### COST & BILLING PROCEDURE:

- **Cost:** \$20,000. *Any travel expenses incurred are not included and will be billed at cost.*
- **Billing:** Payment due upon receipt. No refunds will be given.

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- Subscribers are permitted to share selected portions of the report findings only after receiving written permission from Cogent Research. When such permission is granted, Cogent Research must be credited as the source.

**Please fill out the form below, sign, and fax back to 617-441-9966.**

Upon receipt of the signed agreement you will receive an electronic and one hard copy of Investor Brandscape™: 2009. You will be contacted regarding scheduling of the strategy session.

*By signing below, I agree to the terms in this Subscription Agreement and agree to pay the fee denoted above.*

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