

POINT OF VIEW

# REINVENTING AFFLUENT BANKING

THE DIGITAL OPPORTUNITY

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Affluent customers represent a conundrum for most providers. While their revenue potential should be much better than a mass customer's, profit is typically compromised by high cost to serve, driven by the perceived need to respond to demands for higher service levels utilising expensive personal advisors. However, new ways to exploit readily-available technologies offer the opportunity for forward-looking competitors to break the linkage between high service and high cost. The competitive landscape of the Affluent segment will be redrawn over the next few years as leaders adopt better and cheaper ways to serve these clients and disrupt the businesses of laggards, leaving them with leadership only in the high cost, low profit segment.

To grow or even maintain share in this segment, competitors need to address three issues:

1. How and where to substitute digital offerings for personal service, both face-to-face and voice-based.
2. How to develop effective mechanisms to drive sales through digital channels, shifting from 'push' to 'pull'.
3. How to align the organisation around this new, digitally-enabled model, embracing new opportunities and letting go of legacy approaches that will compromise the new business.

In this note, we look primarily at a subset of the first issue – how to introduce digital offerings into the investment product and service arena. We provide examples of ten potentially game-changing digital innovations in this space that are live or about to appear in the market – they are not theoretical concepts, but competitive offers that providers are likely to face soon if they are not already.

As a starting point, we begin by describing the economic challenges of affluent banking and how a customer-oriented digital approach may become a game changer by reviewing the digital trends in affluent banking. We then present ten digital innovations across the investment product value chain and discuss three steps that all banks should take to develop a successful digital strategy before concluding by considering why banks have been slow to adopt these innovations and how different choices will influence the future winners and losers.

Digital is now moving from a relatively simple problem of adding new channels and features – what we call 'Digital Featurism' – to the more complex issue of becoming a core part of financial services business models. Managing substitution is the new challenge and will define who wins and who loses in both Affluent and beyond.

## 1. SERVING THE AFFLUENT

The affluent banking segment traditionally presents a quandary for retail banks. On the one hand, affluent customers are attractive for a number of reasons – they represent a large and growing segment, hold more products than the average retail customer and hold a greater nominal value within these products. On the other hand, it is a difficult segment to serve effectively in order to differentiate and win. Affluent customers typically have their financial holdings spread across a number of different providers, in order to find the best price, the best experience, or the best advice. Being the main transactional bank does not necessarily correlate with securing the customer's total value, but does carry much of the cost-to-serve.

Digital technology has transformed many large industries over the last decade, leading to new business models and new dominant market players. In comparison, the pace of change and broad impact of digital technology on the banking industry has thus far been limited. Whilst we have seen rapid developments in some areas (e.g. adoption of online and mobile banking for simple transactions and sales), digital has thus far failed to deliver the long-promised improvements in customer experience and cost efficiency. This is, currently, no less true in affluent banking. But things are changing.

Traditional FS providers face a difficult future. Since the crisis, the banking industry suffers from a poor image and unhappy customers are increasingly looking for and offered more attractive alternatives. We observe a strong influence of non-banking sectors on customers' expectations and behaviours. Banks and others need to 'raise their game' to reflect their weakened positions and higher

customer expectations. Despite growth in the segment, there will be downward pressure on pricing and revenue as customers become less willing to pay for 'inferior' service and as price comparison platforms erode the potential to charge premium prices.

At the same time, the scale and nature of investment needed in the digital space can be substantial, and will affect the overall cost base and banks' already squeezed profitability. Providers must face this double threat of declining revenue and higher costs not by just adding new digital services, but by using them in a smart way to replace higher cost assets and services. They need to learn new skills rapidly in so doing, including addressing such difficult questions as:

- How to recruit customers through digital channels?
- How to use digital to cross-sell and up-sell products amongst affluent customers?
- How to build 'stickiness' into the offering to counter the threat of attrition and tendency to multi-bank?

By way of example, consider the total economics of a 'typical' affluent customer, as shown in Exhibit 1 (on page 4). In this simplified case we break the financial holdings into three parts:

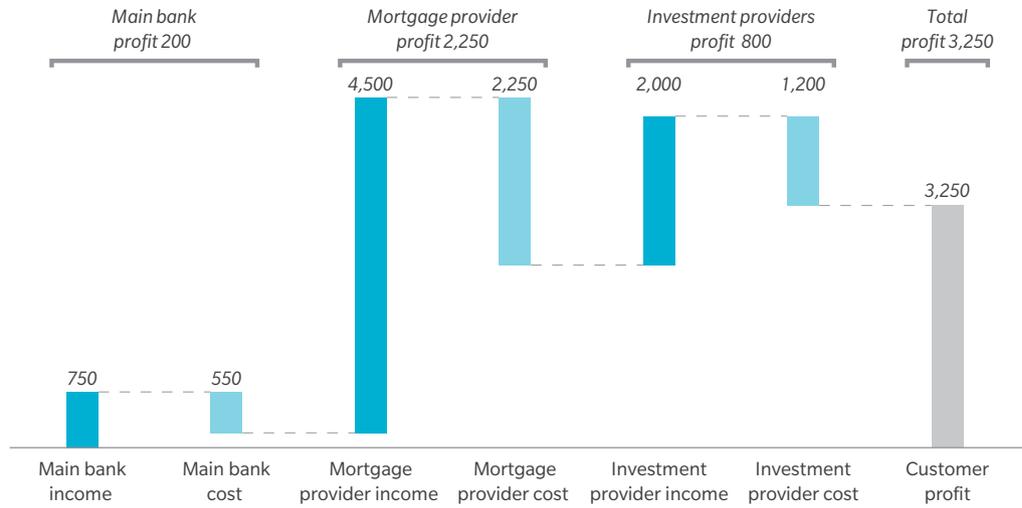
- The primary banking relationship – €25,000 deposits at 2% NIM<sup>1</sup>, fee income of €250, cost-to-serve of €550 based on an RM-based model.
- The residential mortgage – €300,000 mortgage with 1.5% NIM and fees, 0.5% opex and 0.25% cost of credit (losses and capital).
- Investments – €200,000 AuM with 1% income, 0.3% distribution cost and 0.3% platform cost.

<sup>1</sup> Including benefits of term and liquidity premia in transfer pricing

This simple example highlights three areas where digital investments can help to enhance overall customer value:

1. Capturing a larger share of the customer's wallet through a better understanding of the client and more targeted, more relevant and more proactive contacts. All this to increase service quality and expand the offering, as well as develop platforms that aggregate all of customer's assets in one place and provide the benefit of a single view.
2. Reducing servicing costs by replacing low value contacts by relationship managers by online, self-service tools, and opening up a full range of new advisory models.
3. Providing new ways to acquire customers online, often at significantly lower costs compared to today.

Exhibit 1: Affluent customer value across providers



Source: Oliver Wyman analysis

## 2. DIGITAL TRENDS

While much remains uncertain, with banks adopting different approaches to digital technology in affluent banking, four key trends are clear:

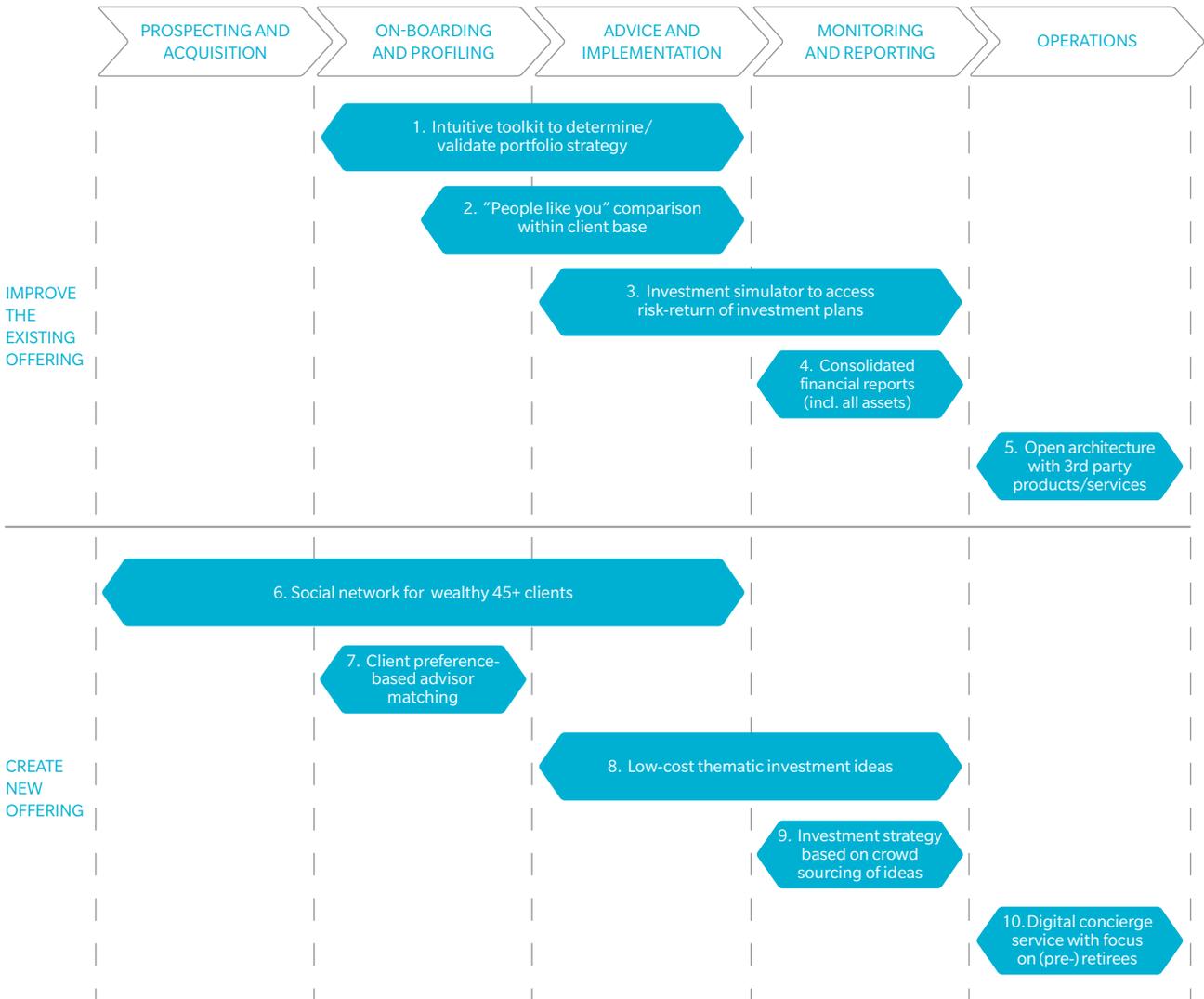
- 1. Digital channel presence is non-negotiable.** All customer segments increasingly rely on online and mobile access to banking services. Experience in the US suggests that demand for digital services will be particularly strong among mass affluent and high-net worth customers. This trend will strengthen with the increasing importance of Generation Y, characterized by greater uptake of smartphones and reliance on digital technologies. Hence, some competitors are already positioning their products and services to attract future affluent clients at an early stage by expanding their use of the digital servicing channel.
- 2. Digital clients are concentrating banking and wealth management services onto single platforms.** This is reflected by a proliferation of aggregated portal solutions in this space, such as Mint.com or Personal Capital. Traditional banks are reacting by expanding their product offerings and redesigning their platforms to meet the clients' need for a "one-stop shop". The aim is to provide a single customer view both internally and to the customer. Market leaders in this respect, such as Chase in the US, operate one portal integrating standard banking functionality (person-to-person transfers, bill payments, etc.) and wealth management functionality (asset allocation data, financial planning, etc.) with uniform navigation, branding and user experience across all areas.
- 3. The digital channel is becoming an integral part of getting advice.** This trend has two facets. Firstly, digital tools are increasingly used to improve the quality of interaction between customers and Relationship Managers (RMs). For example, Groupe Generali France developed a mobile advisor tool for RMs, which allows them to show clients portfolio summaries, analytics and charts on the go. Secondly, in the aftermath of the crisis, clients believe more in getting advice from their peers – who are considered more credible than relationship managers commissioned on sales – and are more and more looking for "People like you" approaches to see how real people similar to them behave or invest. Thirdly, more banks are leveraging digital solutions in the background to enable RMs to use their time more efficiently.
- 4. Banks are increasingly deploying cutting-edge advances in digital technology to better serve customers across a range of areas.** For example, new security features, such as retinal scanning or voice recognition are used to simplify customer identification. New document sharing solutions, such as secure online vaults, allow better back-and-forth collaboration. New video platforms and digital workshops are used to educate customers on markets, products or usage of digital platforms.

### 3. INNOVATING IN AFFLUENT BANKING – TEN IDEAS

To illustrate how digital technology can make a difference in affluent banking we have identified ten examples of digital innovation across the whole affluent banking value chain (Exhibit 2). Some of these innovations

have already been implemented by market-leading traditional banks; others were introduced by non-traditional FS providers; all could be adopted more widely in the banking industry.

Exhibit 2: Selected digital innovations along the affluent banking value chain



Source: Oliver Wyman analysis

## IDEA 1: PORTFOLIO STRATEGY

PROVIDE OVERVIEW OF POSSIBLE INVESTMENT STRATEGIES USING AN INTUITIVE TOOLKIT, ENTICING NEW CLIENTS AND DELIVERING BETTER SERVICE

Strategic intent:

- Retain clients by fulfilling their need for investment guidance.
- Help clients take better investment decisions driven by their risk/reward tolerance.

Choosing an investment strategy depends on many factors (risk and reward preferences, current age, income, etc.) and inexperienced individuals are likely to need help. Banks can partly fulfil this need by building an intuitive, online tool to provide initial investment guidance. Such a digital solution can be easily accessible from all relevant areas of the

bank's website (including the online banking portal), and allow customers to obtain initial investment guidance more quickly and at a lower cost than what could be provided by traditional investment advisors. For example, E\*Trade offers a free "Online Portfolio Advisor" tool. First, the tool asks the user to fill out a straightforward survey. Then, based on submitted responses, it determines the user's investment profile and displays a sample portfolio allocation. Users can complete the process online or offline with the help of a professional advisor and initiate the process of opening up an investment account.

## IDEA 2: PEOPLE LIKE YOU

USE COLLABORATIVE FILTERING TO SHOW CLIENTS HOW ANONYMISED PEOPLE SIMILAR TO THEM ARE INVESTING AND MANAGING THEIR LIFESTYLE

Strategic intent:

- Increase cross-selling and decrease advisor involvement by obtaining a better understanding of customer behaviour.
- Increase client satisfaction by offering appropriate products at the right time.

Collaborative filtering allows making recommendations for "similar" items based on user's own preferences. The key idea is that if User one likes A, B and C, and a similar User two likes A, B and D, then User one is more likely to be interested in D than some alternative product. Collaborative filtering is widely used by online retailers,

including Amazon.com or iTunes. More recently the same approach has been implemented in finance. For example, OCBC Bank in Singapore and NAB in Australia both introduced simple "People like you" tools that allow users to compare their spending patterns with others in the same demographic. The same approach can be used more widely in affluent banking. It is sufficient to record initial information and on-going positions for individual customers. Then monitor them against a database of similar customers and provide anonymous recommendations e.g. "users similar to you started doing X at this point".

### IDEA 3: INVESTMENT SIMULATOR

#### VISUALIZE THE RESULTS OF A RETIREMENT/INVESTMENT PLAN TO IMPROVE CLIENT UNDERSTANDING AND COMMUNICATION

Strategic intent:

- Help clients understand the impact of their decisions now on their future investment successes and adjust the asset allocation, risk level or time horizon.
- Sell more savings products.
- Avoid self-directed clients leaving the platform to seek advice or complement an advised offering.

Choosing an investment strategy is affected by multiple factors, including time horizon, risk tolerance, desired future income, future life events, etc. To improve client understanding and communication of the

available options banks can build investment simulator tools showing the results of a retirement/investment plan. Visualising likely outcomes helps customers realize what impact their investment decisions now will have in the future and what adjustments may be necessary to achieve the desired outcome. Investment simulators can vary greatly in their level of sophistication, ranging from simple single-outcome tools focusing on life events that mainly aim to raise questions which can be addressed with an advisor to sophisticated tools aimed at investment professionals allowing detailed scenario analysis (Voyant). Banks should carefully consider optimal use of such digital tools.

### IDEA 4: FINANCIAL CONSOLIDATOR

#### CONSOLIDATE CLIENT'S ASSETS IN ONE PLACE, PROVIDE ANALYSIS TOOLS AND REFERRALS TO GENERATE REVENUE

Strategic intent:

- Help clients build a complete picture of their assets and thus enable them to better manage their affairs through a better product diversification, better prices, more precise view on risks taken and an easier comparison of performance.
- Generate revenue through referral fees.

As discussed in the previous section, there is a clear client need around having a consolidated view of all customer assets and liabilities in one single place. Some banks have started to offer digital solutions that provide a single customer view. One example of such a service is Mint.com, which has over 10 million registered customers across the USA and Canada. The portal supports multiple types of accounts, offers functionality

to set budgets, and categorize expenditures. Based on the analysis of spending behaviour it recommends potential savings. The service is provided for free, with referral fees generated through savings recommendations. In Europe, this is more developed in the Insurance space where platforms such as Comparis in Switzerland provide information on all insurances you hold. The tool contacts you proactively and before all legal deadlines to offer alternatives to switch for better products. Traditional Financial Services providers should carefully consider opportunities related to developing similar tools. A potential area for development is a service that targets pre-retirees with functionality to manage and compare multiple pension providers.

## IDEA 5: OPEN ARCHITECTURE

### INCREASE CLIENT STICKINESS BY OFFERING THIRD PARTY SERVICES ON OWN PLATFORM, SUPPORTED BY ADDITIONAL SERVICES

Strategic intent:

- Give clients broader choice of products, either by filling in gaps or in direct competition with own offerings.
- Generate fees from third-party services sold.
- Position as a one-stop shop.

In recent years, we have seen significant growth of online comparison engines that allow users to choose suitable offers for a wide range of goods including financial services products, such as loans, mortgages, credit cards or insurance. Customers using comparison engines benefit from a

greater choice and frequently from easier administration at no extra cost. In a similar spirit, banks should consider complementing their affluent banking offerings with third-party products (potentially limited to non-competing products). This generally requires careful consideration of benefits from increased customer stickiness versus undermining own brand and potential reputational risks. However, the business model based on open architecture can be very successful as demonstrated by the example of Fidelity, which operates a leading fund platform in the UK, US and other geographies selling own as well as competitor products.

## IDEA 6: SOCIAL CIRCLES

### DEVELOP A SOCIAL NETWORK MATCHING CLIENT PROFILE IN ORDER TO RAISE CUSTOMER SATISFACTION AND GAIN BETTER CLIENT UNDERSTANDING

Strategic intent:

- Increase understanding of clients' needs at low cost by interacting with clients online.
- Help clients to get peer advice.
- Increase brand recognition and client retention through online interactions.

Many of the most popular websites on the internet like Facebook, LinkedIn or Twitter are built around the idea of connecting and sharing with like-minded people. In addition to the largest social networking sites, many other sites provide similar services for

specific niches: USAA provides community hubs for military spouses and veterans, CafeMom for mothers and the aSmallWorld for the social elite and the jet set; Coutts facilitates communities within its client groups (e.g. entrepreneurs, professionals). Banks can leverage the same idea to build an opt-in social network and build a digital meeting place for wealthy baby boomers and retirees. This would allow more targeted focusing on that peer group and facilitate discussions on key topics, such as retirement planning.

## IDEA 7: ADVISOR MATCHING

LET USERS HANDPICK THEIR ADVISORS AND ALLOW DIGITAL INTERACTION, INCREASING CUSTOMER SATISFACTION

Strategic intent:

- Maximise convenience and satisfaction by allowing clients to choose their own bank and relationship manager online.
- Earn referral fees.

Some banking customers, especially in the affluent and HNW<sup>2</sup> segments, would prefer to personally choose their financial advisors and get to know them before receiving financial advice. To meet this preference and ensure closer relationships between clients and advisors, a bank may enhance

its affluent banking offering to include an online advisor matching platform. Similarly to the functionality offered by unbiased.co.uk (an independent non-profit UK body), such a platform could allow users to filter through profiles of potential advisors based on a range of factors, such as expertise, geographical area or languages spoken and include a tool for quick and easy communication. In addition, all advisors added to the platform may be vetted by the bank and rated by clients to ensure quality.

## IDEA 8: THEMATIC INVESTMENTS

USE AN ONLINE TOOL TO EXPLORE, DISCUSS INVESTMENT IDEAS, THEN CUSTOMISE THE PORTFOLIO AND INVEST CHEAPLY

Strategic intent:

- Drive additional volume through a stockbroking platform.
- Establish strong and sticky client relationships.

To enhance the investor proposition of an affluent banking offering, banks could enable customers to access (or push them based on their risk profile or need to rebalance excessive risks) thematic investment ideas and translate them into tangible and easily accessible trades. This could take the form of either an online platform aimed at self-directed investors

or low-cost investment advice provided by relationship managers. One successful website using such an approach is Motif Investing. First, the website conducts research to identify trends and investment ideas. Then, it screens stocks and weights them to build sample portfolios around different themes, such as “Clean Technology Everywhere” or “QE Japan”. Investors can review the portfolios, discuss them in online forums and tailor as required. They pay a fixed fee for buying a motif of 30 stocks. In summary, the challenge is to translate bank research into simple trades and provide a low cost transaction service.

<sup>2</sup> High Net Worth

## IDEA 9: CROWD INVESTMENT STRATEGY

### USE EXISTING AND SOURCED CLIENT PORTFOLIO DATA TO INFORM CLIENTS WHAT OTHERS ARE DOING WITH THEIR FINANCES

Strategic intent:

- Use data to inform clients what other people are investing in.
- Prompt clients to invest more and thus earn revenues through increased volumes.

Another idea to drive additional volume through the stockbroking platform is to use crowd sourcing to provide or review investment suggestions. Crowd-based solutions have affected many sectors – from encyclopaedias and travel industry to fund

raising – and are now making their way in finance. For example, eToro, a social trading network in Cyprus, allows clients to view trading activity of others and link their portfolios to “guru traders” to copy their trades. Motif Investing mentioned in Idea 8 allows users to vote on an theme portfolio and discuss it in detail in a forum. Such capabilities can be easily added to affluent banking offerings while alerting users that crowd views may not be reliable, timely or appropriate for complex issues.

## IDEA 10: DIGITAL CONCIERGE

### PROVIDE A DIGITALLY-ENABLED CONCIERGE PRODUCT TAILORED TO CLIENT BASE, TO GREATLY INCREASE CLIENT SATISFACTION

Strategic intent:

- Provide a helpful and convenient service enabling clients to do more.
- Earn revenues through fees or advertising.

To increase customer satisfaction and differentiate from competitors, banks may introduce a complementary or paid-for concierge service for (pre) retirees. One example of such a service is MyConcierge in France, which offers: restaurant and travel reservations, cultural and sporting events, and sporting requests. Services can be

accessed over the phone, via the web or by using a dedicated app. Implementation of this idea requires careful positioning next to other concierge services, e.g. offered by cards. One potential downside is the need for the service to consistently meet bank brand and quality expectations.

## A PRESCRIPTION FOR SUCCESS

The rapid technological and social changes described above create threats and opportunities for banks in the Affluent segment. How should banks respond and manage this process? Below are what we believe to be the most important items to consider.

- A. **Understand the dynamics of your portfolio and who your customers are.** Getting a robust customer fact base is key. Different segments often have very different behaviours and profitability, therefore it is worth investing in understanding what the key customer segments are and their differences in terms of behaviours, profitability, likelihood to switch and features they value most.
- B. **Think carefully how to maximise the required investments across future market and competitor scenarios.** This requires a good awareness of existing innovation and how they will reshape the sector. What do you have in place now and coming on stream soon? How are your competitors moving in the digital space? Test your current strategy against tomorrow's environment and reconsider your digital strategy in this context.
- C. **Decide on a digital participation strategy.** This requires understanding the customer "value equation". Starting with the status quo, banks should re-assess customer value to the bank and how it is likely to change over time due to evolving customer expectations and behaviours. Based on the results, the bank should consider all options available to affect future customer value. What could be done differently? How much will it cost and how much impact can it have on customer value?
- D. **Prioritise investments.** This involves allocating planned initiatives into different groups. Typically defensive and/or high positive value impact investments are classified as "must haves" and prioritised. Lower value investments with an option to delay action are classified as "Watch points" and implemented based on market developments. Costly investments with a potentially high but uncertain impact are classified as "Big Bets". Generally, we advise banks to place competing bets, in much the same way as innovative technology companies.
- E. **Engage the organisation.** Success will likely require major change in culture and infrastructure, and lessons must be learnt from other successful players. To win in the digital space, banks need to view digital as a fundamental change with potential to alter the whole value chain.

## CONCLUSION

Affluent segment providers have not yet fully embraced these ten ideas. Much of this has been for understandable reasons given the limited capacity for investment and the difficulty to find the right financial equilibrium. This is in part driven by an approach that attempts to add new digital capabilities without 'risking' reducing the traditional offering. However, as more providers embrace digital offerings as substitutes rather than additions, the risk may lie with those who fail to move. Recent announcements by leading banks such as Barclays, HvB and Wells Fargo indicate movement toward reducing reliance on traditional assets such as branches in favour of investment in digital channels and offerings.

To win in the digital affluent space, banks need to view digital as a fundamental change, with potential to alter the whole value chain. The expected benefits are substantial: not only a rise in affluent customer numbers, reduced cost-to-serve and streamlined process but also a notable improvement in overall economics and enhanced customer experience. The transition won't be easy, but the future winners will work out how to do this effectively.

# APPENDIX

## SUMMARY OF THE 10 IDEAS

Idea	Description	Potential benefits to firm	Potential downsides	Implementation challenges	Examples
<b>1. PORTFOLIO STRATEGY</b>	<ul style="list-style-type: none"> <li>Explore risk/return trade offs of an investment strategy using an intuitive toolkit then review with a real person</li> </ul>	<ul style="list-style-type: none"> <li>Attract new clients</li> <li>Strengthen advisory process by communicating risk/reward trade-offs</li> <li>Avoid mis-selling</li> </ul>	<ul style="list-style-type: none"> <li>Mechanics and time needed may not be acceptable to clients</li> <li>RMs may not be suited to playing validator role</li> </ul>	<ul style="list-style-type: none"> <li>Tool requires thought and careful design</li> <li>Integration into wider advisory process</li> </ul>	<ul style="list-style-type: none"> <li>E*Trade (US)</li> </ul>
<b>2. PEOPLE LIKE YOU</b>	<ul style="list-style-type: none"> <li>See what real people similar to you are doing with their money</li> </ul>	<ul style="list-style-type: none"> <li>Increase cross-selling</li> <li>Supports self-service</li> </ul>	<ul style="list-style-type: none"> <li>Comparisons may be misleading/not reflect complexity of client's situation</li> </ul>	<ul style="list-style-type: none"> <li>To work out the mechanics, in particular disclosure issues</li> <li>Getting clients to opt in</li> </ul>	<ul style="list-style-type: none"> <li>OCBC Bank (Singapore)</li> <li>NAB (Australia)</li> </ul>
<b>3. INVESTMENT SIMULATOR</b>	<ul style="list-style-type: none"> <li>Understand the risk/return options associated with a savings plan</li> </ul>	<ul style="list-style-type: none"> <li>Attract new clients</li> <li>Strengthen advisory process by communicating risk/reward trade-offs</li> <li>Avoid mis-selling</li> </ul>	<ul style="list-style-type: none"> <li>Mechanics and time needed may not be acceptable to clients</li> <li>RMs may not be suited to playing validator role</li> </ul>	<ul style="list-style-type: none"> <li>Tool requires thought and careful design</li> <li>Integration into wider advisory process</li> </ul>	<ul style="list-style-type: none"> <li>Julius Baer (Switzerland)</li> <li>Voyant (UK)</li> </ul>
<b>4. FINANCIAL CONSOLIDATOR</b>	<ul style="list-style-type: none"> <li>A service that will provide a consolidated view of all accounts held by an individual</li> </ul>	<ul style="list-style-type: none"> <li>Can generate revenues through referral fees</li> <li>Enables wallet sizing</li> <li>Binds clients to the service</li> </ul>	<ul style="list-style-type: none"> <li>Clients unwilling to provide all their financial information to the bank</li> <li>Clients are aware of the sensitivity of their data</li> </ul>	<ul style="list-style-type: none"> <li>Linking with sufficient providers to enable full consolidation</li> <li>Presenting data consistently</li> </ul>	<ul style="list-style-type: none"> <li>Mint.com (US, Canada)</li> <li>Personal Capital (US)</li> </ul>
<b>5. OPEN ARCHITECTURE</b>	<ul style="list-style-type: none"> <li>Complement your product offering by non-conflicting third party products (such as trust, tax, philanthropy, government support, SRI, care services)</li> </ul>	<ul style="list-style-type: none"> <li>Increase customer stickiness and fee generation</li> <li>Cross-sell opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Undermining brand awareness through third party products</li> <li>Potential reputational risk due to third party products</li> </ul>	<ul style="list-style-type: none"> <li>Risks associated with product due diligence, selection and advice process</li> </ul>	<ul style="list-style-type: none"> <li>Fidelity (US)</li> </ul>

Idea	Description	Potential benefits to firm	Potential downsides	Implementation challenges	Examples
<b>6. SOCIAL CIRCLES</b>	<ul style="list-style-type: none"> <li>An opt-in social network for wealthy people</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer understanding</li> <li>Builds a deeper, broader client relationship</li> </ul>	<ul style="list-style-type: none"> <li>Bank may not control all interactions and may be disintermediated</li> </ul>	<ul style="list-style-type: none"> <li>Position the network as a “wealth circle” next to existing premium programs (e.g. credit cards)</li> </ul>	<ul style="list-style-type: none"> <li>USAA (US)</li> <li>CafeMom (US)</li> <li>aSmallWorld (UK)</li> </ul>
<b>7. ADVISOR MATCHING</b>	<ul style="list-style-type: none"> <li>Choose a personal advisor based on your preferences and begin digital communication</li> </ul>	<ul style="list-style-type: none"> <li>Closer relationship</li> <li>Increased customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Too much choice leading to client confusion</li> <li>Places relationship with the advisor, not the bank</li> <li>Limits ability of bank to switch advisors</li> </ul>	<ul style="list-style-type: none"> <li>Capturing of personality profile of advisors and what clients really want</li> <li>Running advisor network afterwards</li> </ul>	<ul style="list-style-type: none"> <li>Unbiased.co.uk (UK)</li> <li>Knab (Netherlands)</li> </ul>
<b>8. THEMATIC INVESTMENTS</b>	<ul style="list-style-type: none"> <li>Online platform offering wide range of thematic portfolios, plus structuring and risk management tools</li> </ul>	<ul style="list-style-type: none"> <li>Interesting to savvy self-directed investor segment</li> <li>Builds out self-service model</li> <li>Leverages bank research</li> </ul>	<ul style="list-style-type: none"> <li>Cannibalisation of existing fund/ DPM business</li> </ul>	<ul style="list-style-type: none"> <li>Integration of research, low cost transaction services, reporting and analysis toolkit</li> </ul>	<ul style="list-style-type: none"> <li>Motif Investing (US)</li> </ul>
<b>9. CROWD INVESTMENT STRATEGY</b>	<ul style="list-style-type: none"> <li>Use crowd sourcing to provide or review investment suggestions</li> </ul>	<ul style="list-style-type: none"> <li>Enables independent review of strategy</li> <li>Supports self-service</li> </ul>	<ul style="list-style-type: none"> <li>Crowd view may not be reliable, correct or timely</li> <li>Not the best way to analyse complex issues</li> <li>Not of interest to all client segments</li> </ul>	<ul style="list-style-type: none"> <li>Building the critical crowd size to get good advice</li> <li>Avoiding legal and compliance issues</li> </ul>	<ul style="list-style-type: none"> <li>EToro (Cyprus)</li> <li>Cureensee (US)</li> </ul>
<b>10. DIGITAL CONCIERGE</b>	<ul style="list-style-type: none"> <li>A concierge service tailored to (pre) retirees, offering proactive advice on life events and lifestyle transition</li> </ul>	<ul style="list-style-type: none"> <li>Complimentary or paid-for service generating revenue (white-label or in-house developed)</li> <li>Increased customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Need to consistently meet bank brand and quality expectations</li> </ul>	<ul style="list-style-type: none"> <li>Positioning next to similar concierge services, e.g. offered by cards</li> </ul>	<ul style="list-style-type: none"> <li>MyConcierge (France)</li> </ul>

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