

## PRESS RELEASE

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### Wealth management brands are undervalued and constraining net new asset growth, says Scorpio Partnership

A fragmented approach and lack of senior management engagement are holding the industry back from tapping new HNW business

Scorpio Partnership, the global wealth management consultancy, believes that wealth and private banking brands are undervalued as tools for rallying organisations around their clients and that while this persists the industry will fail to attract, and keep, new asset flows.

Scorpio Partnership has tested the strength of feeling about this issue in recent interviews with brand leaders of the world's most influential wealth managers and private banks who, together, manage USD5.3 trillion in assets under management – 30% of the global market total.

During the financial crisis, relationships between wealth managers and their clients were shaken, if not damaged, and four years later even greater client expectations about performance, transparency and alignment of interests continue to challenge established practices. Scorpio has been tracking issues such as this that affect wealth managers and the issue of brand has been cited more and more often as a key catalyst.

Stewart Prosser, a project consultant at Scorpio Partnership, said, "Wealthy individuals tell us that they want simplicity, clarity, alignment of interests, empathy and trusted performance from their advisors and providers. Brand has a significant role to play as a focus for rallying behaviours and communications to meet these needs."

Sebastian Dovey, Senior Partner at Scorpio Partnership, said, "Brands are a critical driver for HNW asset growth and nearly 80% of the total wealth market today is managed by 20 global financial brands. As a result, we wanted to understand how brand is not only seen, but managed and valued, and what issues and processes either enable it to flourish or constrain its impact. All players will need to know how to develop effective and high impact wealth brands to compete," he added.

Scorpio Partnership found a number of constraints to wealth brand efficacy including:  
a lack of senior management engagement; a lack of real data on clients; a similar lack of standardised segmentation and pricing; and a failure to connect those with client information and contacts within each organisations.

A snapshot of some of the findings include:

- Branding has moved well beyond two-dimensional message control into a 360 degree “influence enabler”, where what your people say about you and how they act is as important as the messages that your communications carry. At the heart of this, is a clear appreciation of the importance of clear values for each organisation, the sum of which creates a unique personality.
- Controlling every aspect of the brand and its messaging appearance is deemed essential – both with internal and external audiences. However, although every institution seemed clear about its goals and target brand attributes, there was wide discrepancy as to how this was documented and shared internally and in the methods of control, and little articulation regarding the types of client behaviour that is intended to be prompted and sustained. “But our clients don’t know what they want” was cited as a reason that institutions have not delved more deeply into formalising such articulations.
- There are particular attributes that make wealth management branding complex: relationship managers and advisors (such as IFAs) carry the firm to the client on the brand’s behalf; you may construct the product, but you cannot guarantee the performance; there is a lack of emotional excitement about transacting; senior management at wealth management firms do not drive a marketing culture.
- A brand must also reflect a personal, tailor-made feel for each client. But unlike luxury brands where ultimate product quality and performance can be engineered, the human element of private banking delivery will always pose a challenge. Wealth managers do need to borrow from the emotional equity that luxury goods providers evoke.
- An equal number of institutions believed that placing a financial value on the wealth brand was important and possible, with those who believed that true value was more in the perception than the balance sheet.

Scorpio Partnership found a number of constraints to wealth brand efficacy including a lack of senior management engagement (unlike that in the heavily marketing-led luxury goods industry); the lack of real data on clients beyond what relationship managers shared, normally informally; a similar lack of standardised segmentation and pricing driving businesses and the articulation of their offerings; and a failure to connect those with client information and contacts within each organisation.

In response, Scorpio Partnership suggests a simple five step process it is calling Brandology that could help address these issues and be a catalyst for true brand development and exploitation.

The Brandology steps are:

1. Search for alignment.  
- know the client and their market context.
2. Segment for clarity.  
- use the systematic thinking prevalent in retail financial services to be clear who the clients are.
3. Message for passion.  
- define the brand personality with practical messages.
4. Build an experiential culture.  
- educate internally to ensure consistent knowledge sharing and aligned behaviours.
5. Lead from the front.  
- make brand a strategic issue and catalyst for change.

Mr Dovey concluded, “Creating clear processes for supporting and managing an institution’s brand really can make a difference to initially engaging clients and then providing a consistent, high quality, differentiated experience. Clients will show the confidence that this elicits by allocating their assets to those with the strongest and clearest brands. ”

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## NOTES TO EDITORS

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### About Scorpio Partnership

Scorpio Partnership is the leading insight and business consultancy to the global wealth industry.

The firm specialises in understanding the wealthy and the financial institutions they interact with. We have developed four transformational disciplines – **SEEK**, **THINK**, **SHAPE** and **CREATE** – each designed to enable business leaders to strategically assess, plan and drive growth. The solutions Scorpio Partnership develops regularly win awards for its institutional clients and help them financially profit.

Our discipline teams leverage expertise in:

**SEEK**

- Client research
- Advisor research
- Market mapping
- Company/Intermediary research
- Brand identity audits

**THINK**

- Product/Service development
- Business case development
- Concept solutions
- M&A diligence
- Brand identity development

**SHAPE**

- Market entry solutions
- Media and Event solutions
- Training and Education solutions
- Sales & Marketing campaigns
- Brand identity solutions

**CREATE**

- Campaign management
- Change management
- Strategic marketing
- M&A implementation
- Specialist consulting

Scorpio Partnership has conducted more than 300 global assignments across wealth for institutions in the banking, fund management, regulation, IT and technology, insurance and charity sectors.

Scorpio Partnership has been voted best global consultancy to the wealth management industry for the three consecutive years \*. The firm is independent and owned by management.

For more information go to [www.scorpiopartnership.com](http://www.scorpiopartnership.com)

\*Wealth Briefing