

Marketing in the Financial Industry

PABLO MESIAS

Agenda

How Financial Market Works

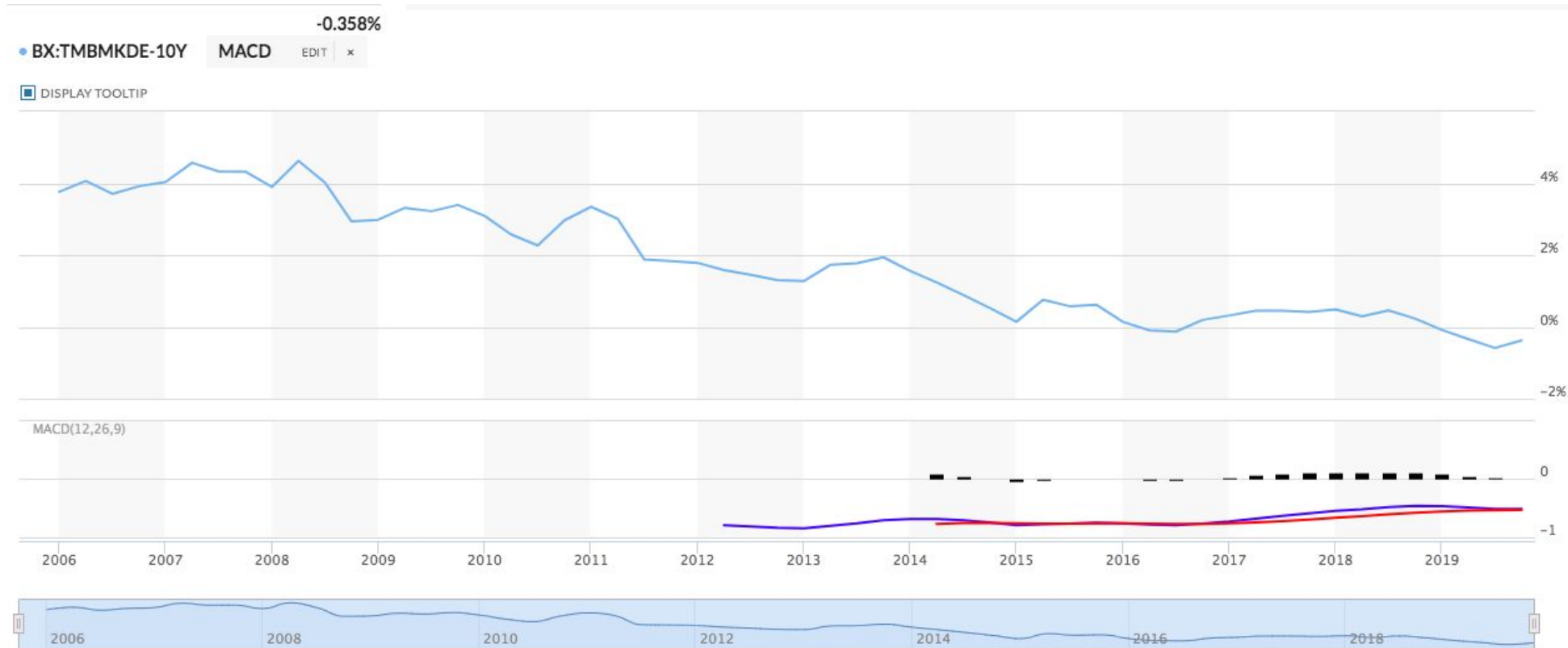
Customer Segmentation

Brand & Product Adaptation

How Financial Market Works



How Financial Market Works



Financial Markets Video



<https://www.youtube.com/watch?v=MpZ1YY4lvzA>

The Financial Service Industry

Every day over \$ 5.3 trillion are exchanged in FM

NYSE trade daily \$200 billion

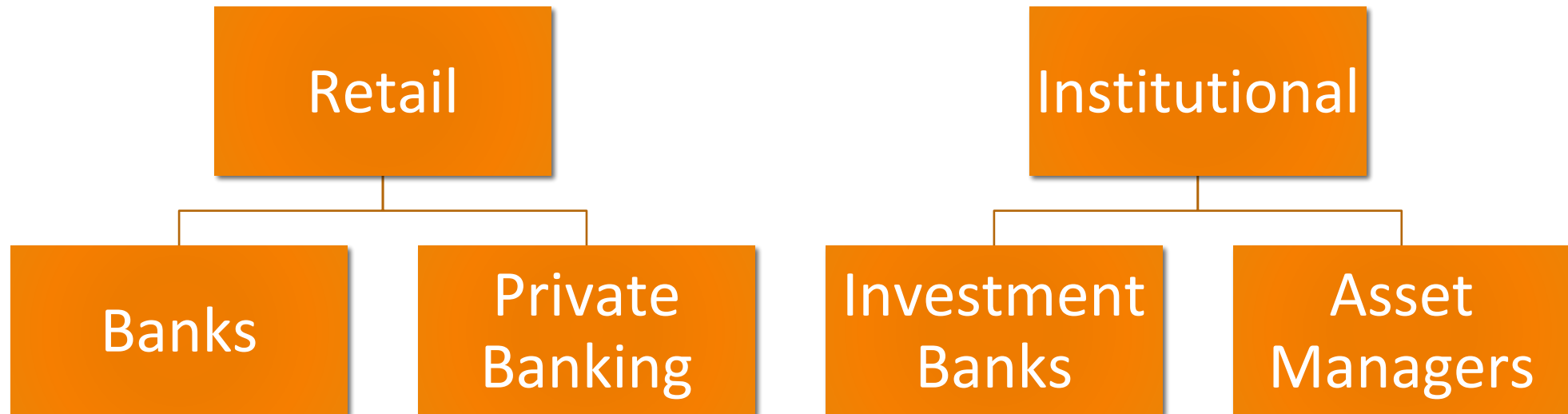
Globally every hour \$220 billion are traded

On the UK only employs directly over 1 million people

Over 3 million people employed in related services

Accounts for 6.8% of UK's GDP

Players in the FM



PESTEL Analysis of FM

123writing.com RBS PESTLE Analysis 2016-17	
POLITICAL FACTORS <ul style="list-style-type: none">• Brexit uncertainty.• Regulatory pressure including new capital requirements.• New 8% government surcharge on UK bank profits.	ECONOMIC FACTORS <ul style="list-style-type: none">• Brexit forced Bank of England to lower interest rates from 0.5% to an even lower 0.25%. A low interest rate environment hampers bank profitability.
SOCIAL FACTORS <ul style="list-style-type: none">• Ageing population in UK core market may mean a shift towards savings, investment and wealth management offers as a baseline service to meet needs of pension age customers.	TECHNOLOGICAL FACTORS <ul style="list-style-type: none">• Digital disruption including new blockchain technology, biometrics, robotic automation and rise of FinTechs present both opportunities and threats to RBS and other legacy banks.
ENVIRONMENTAL FACTORS <ul style="list-style-type: none">• Transition to a low carbon and resource-efficient future is underway affecting RBS and other banking firms which are required to comply.	LEGAL FACTORS <ul style="list-style-type: none">• The mis-selling of toxic mortgage bonds prior to the 2008 financial crisis cost RBS \$4.5bn (£3.5bn) in litigation settlements with the US Federal Housing Finance Agency (FHFA).• RBS further paid \$1.1bn in legal claims to the US National Credit Union Administration Board in 2016.

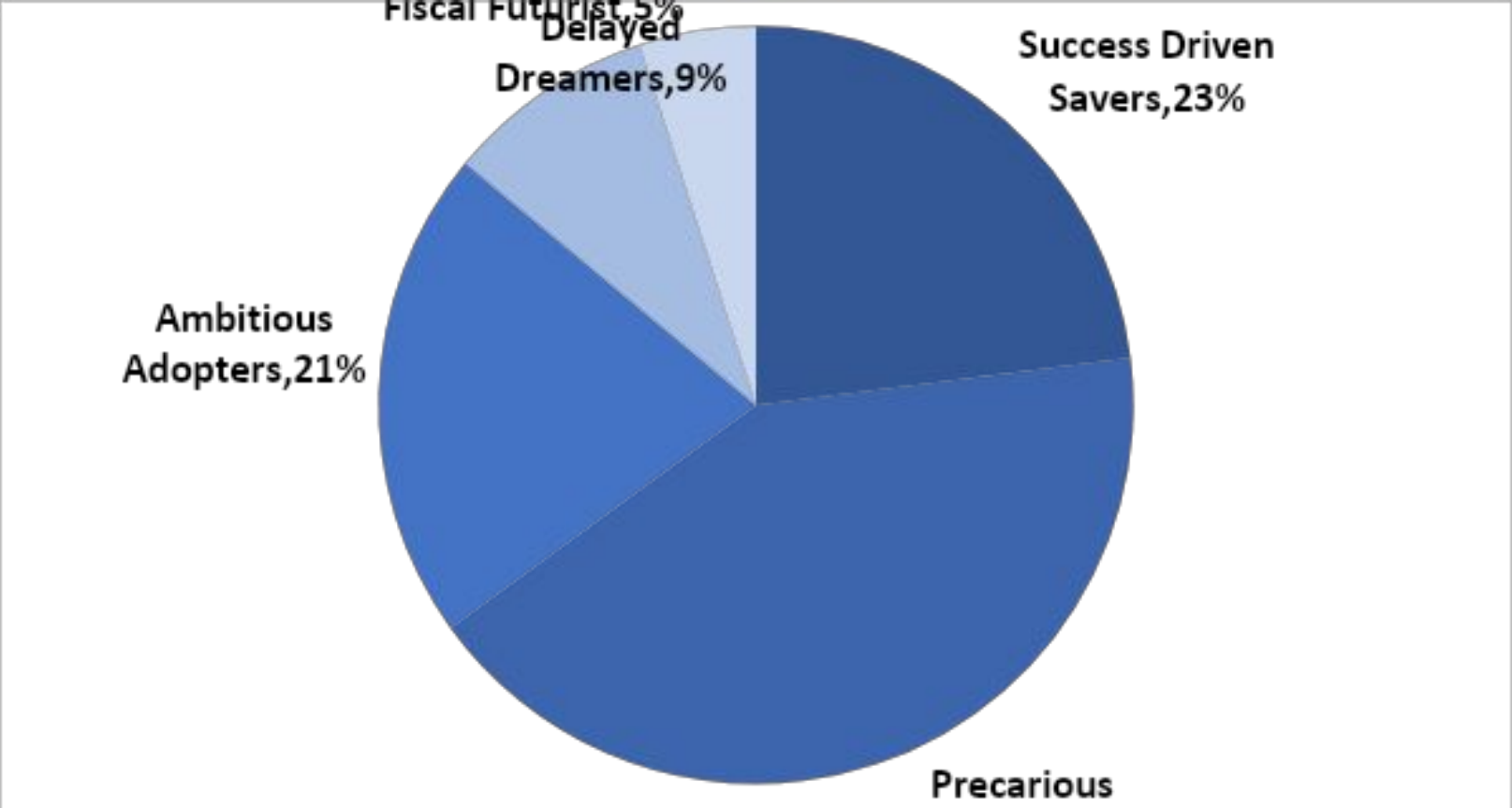
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How Financial Market Works

Customer Segmentation

Brand & Product Adaptation

Banking Client Segmentation



Customer Segmentation

		Organizational Integration	
		High	Low
Customer-driven	High	Effective Segmentation: Brands that focus on identifying revenue	Bolt-on segmentation: Segmentation is not seen as central part of the organization
	Low	Structural Segmentation: Done around products, regions or Channels	Sales-based: Emphasis is on sales rather than developing sustainable segments

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Mutual Funds Video



<https://www.youtube.com/watch?v=-bLeRnOHq-8>

What is Branding?

"Is the representation of a firm's culture through all forms of media"

Speeches

Social Media

PR

Marketing Collateral

Channels

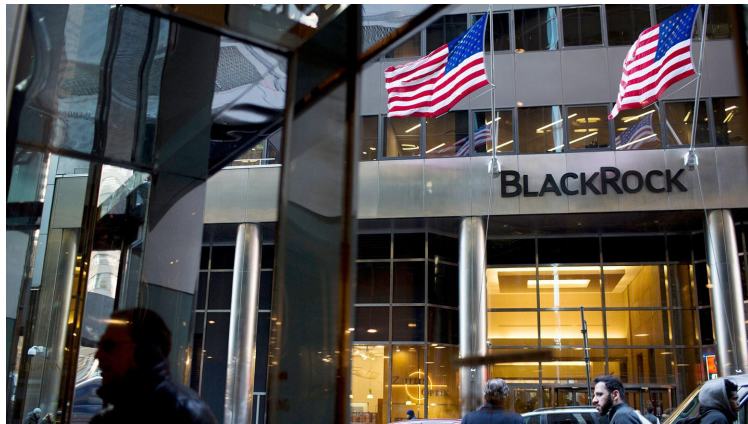
Why is Branding so Important?

Norway's Sovereign Wealth Fund Hits \$1 Trillion

Largest sovereign wealth funds by assets under management in 2017*

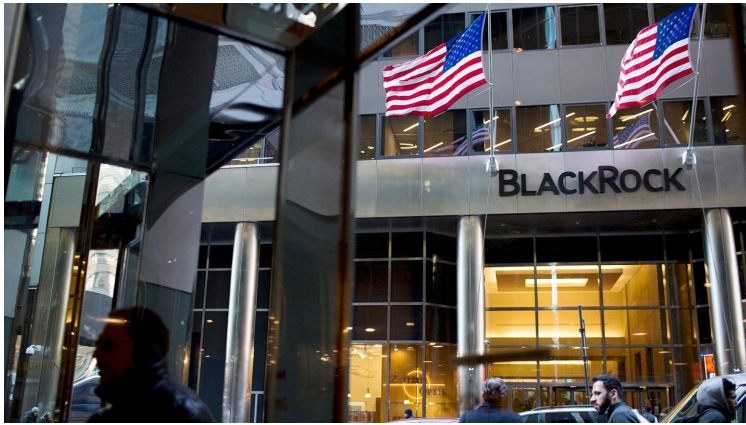


Branding Asset Managers

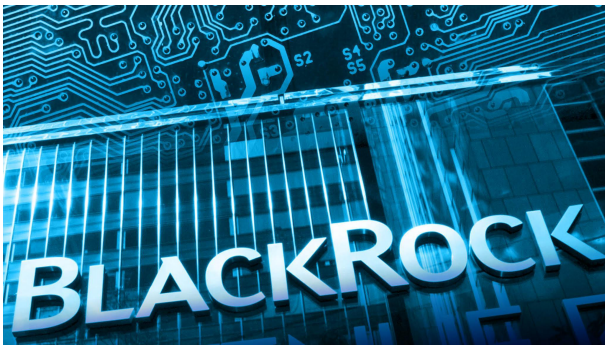


P I M C O **B**ERKSHIRE **H**ATHAWAY INC.

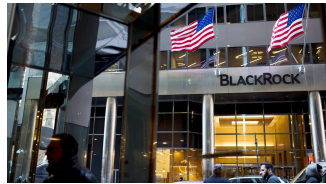
Branding Asset Managers



P I M C O **BERKSHIRE HATHAWAY INC.**



Branding Asset Managers



Technology
Social Good

P I M C O



Our People make us who we are

BERKSHIRE HATHAWAY INC.



We do simple things that work
I have been doing for years

Challenges of Branding in Asset management

Products / Services that rely on markets

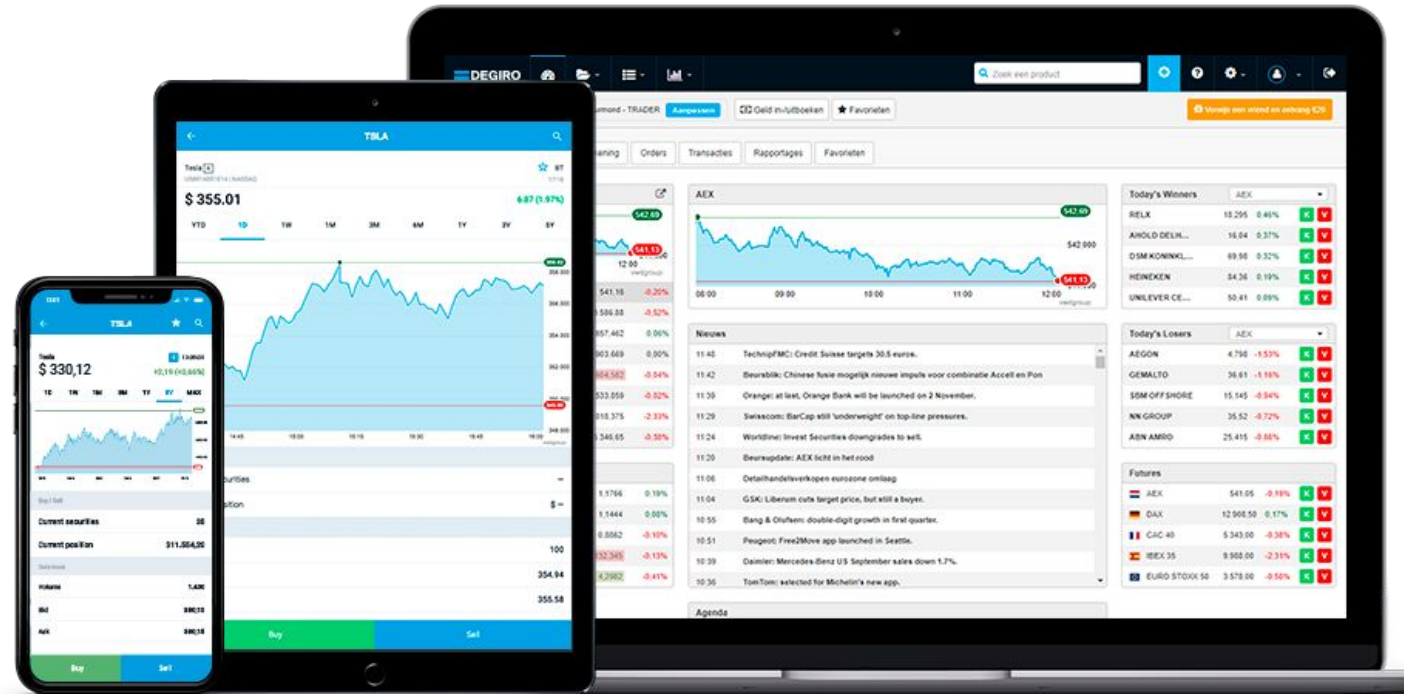
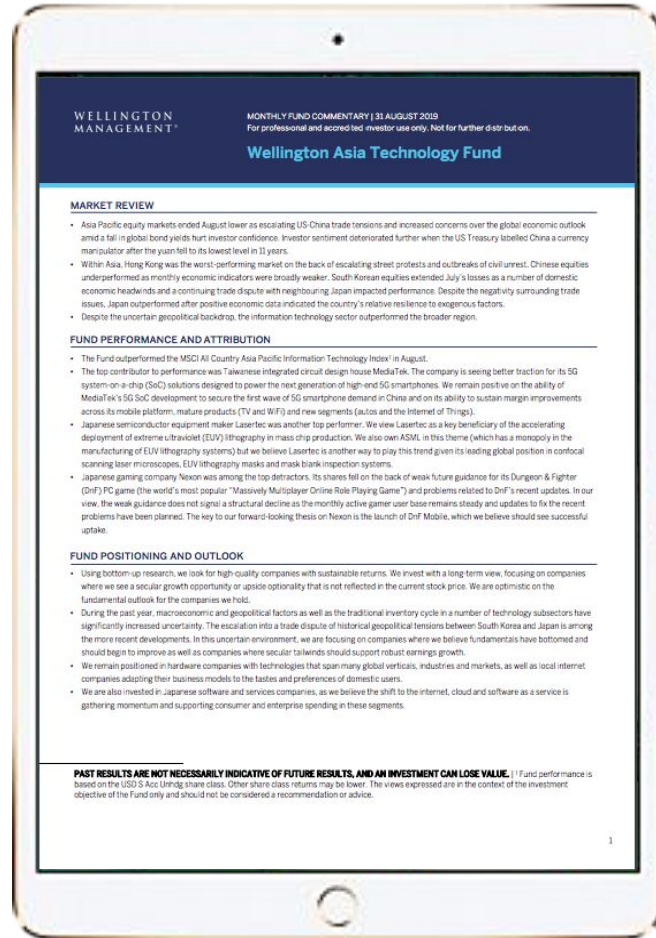
- Financial Markets are volatile
- Unpredictable
- Returns are not guaranteed

Asset Manager Operates with Peoples' money (savings)

Financial Crisis / Financial Corruption

Channels

Communication in the AM



Communication in the AM



Channels in Branding

Press	Social Media	Specialized SM
<ul style="list-style-type: none">• Trusted• Investors• Expensive	<ul style="list-style-type: none">• Not reliable• Both• Volumen	<ul style="list-style-type: none">• Somewhat reliable• Retail• Costly

Why Branding is important

- **It instills trust.**
- **It simplifies choice.**
- **It creates pricing power.**

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Customer Segmentation

Brand & Product Adaptation

Product Adaptation

New Products require an increase in CAPEX

ETFs

New Regulations

Client seeking for solutions not products

AM are lagging in technology innovation

● **mutual funds**

Término de búsqueda

● **ETF**

Término de búsqueda

● **E-Trade**

Banco

+ Añadir comparación

Estados Unidos ▾

2004 - hoy ▾

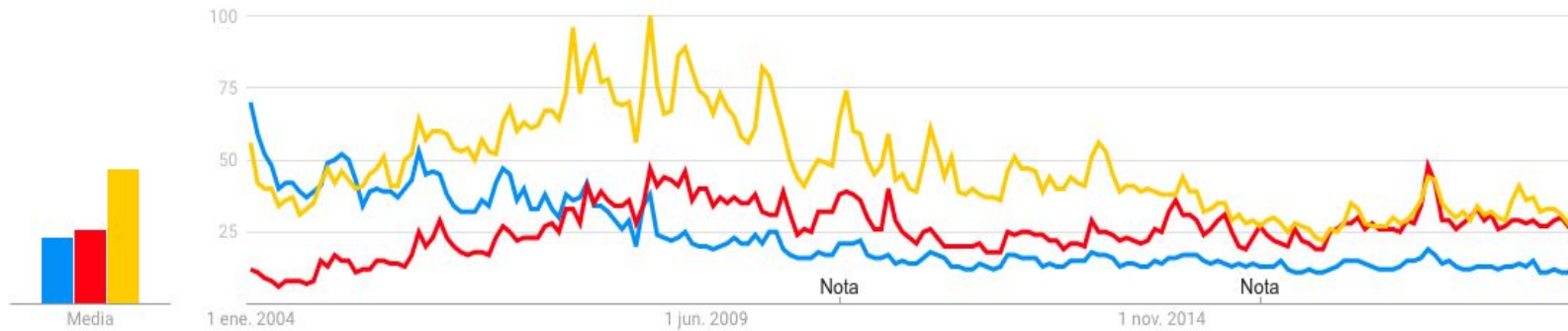
Todas las categorías ▾

Búsqueda web ▾

! **Nota:** Esta comparación contiene temas y términos de búsqueda, los cuales se miden de forma diferente.

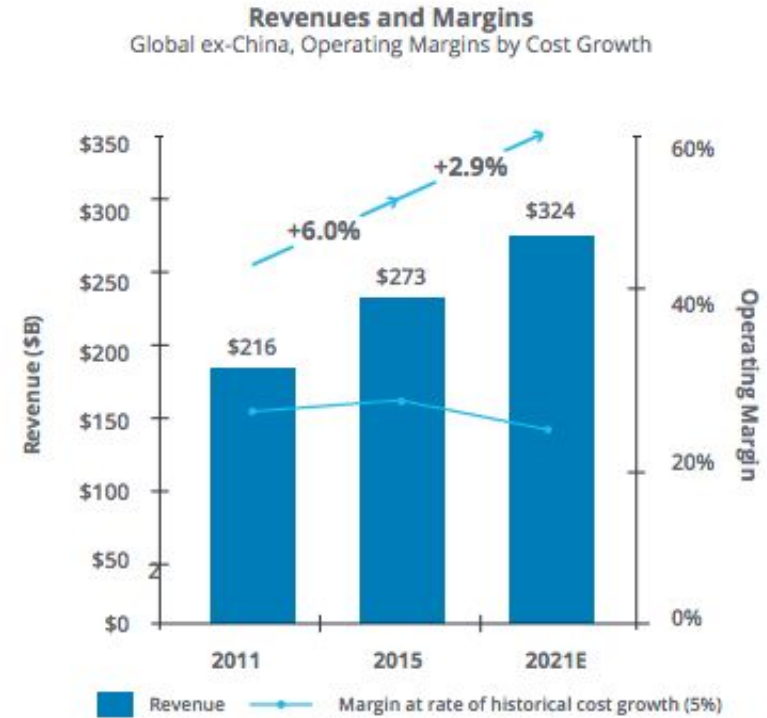
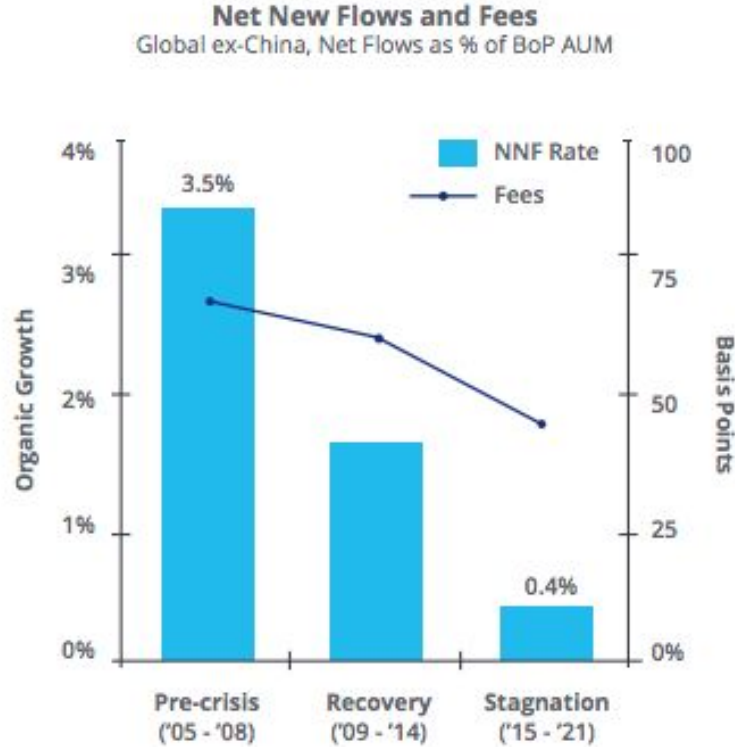
[MÁS INFORMACIÓN](#)

Interés a lo largo del tiempo ?



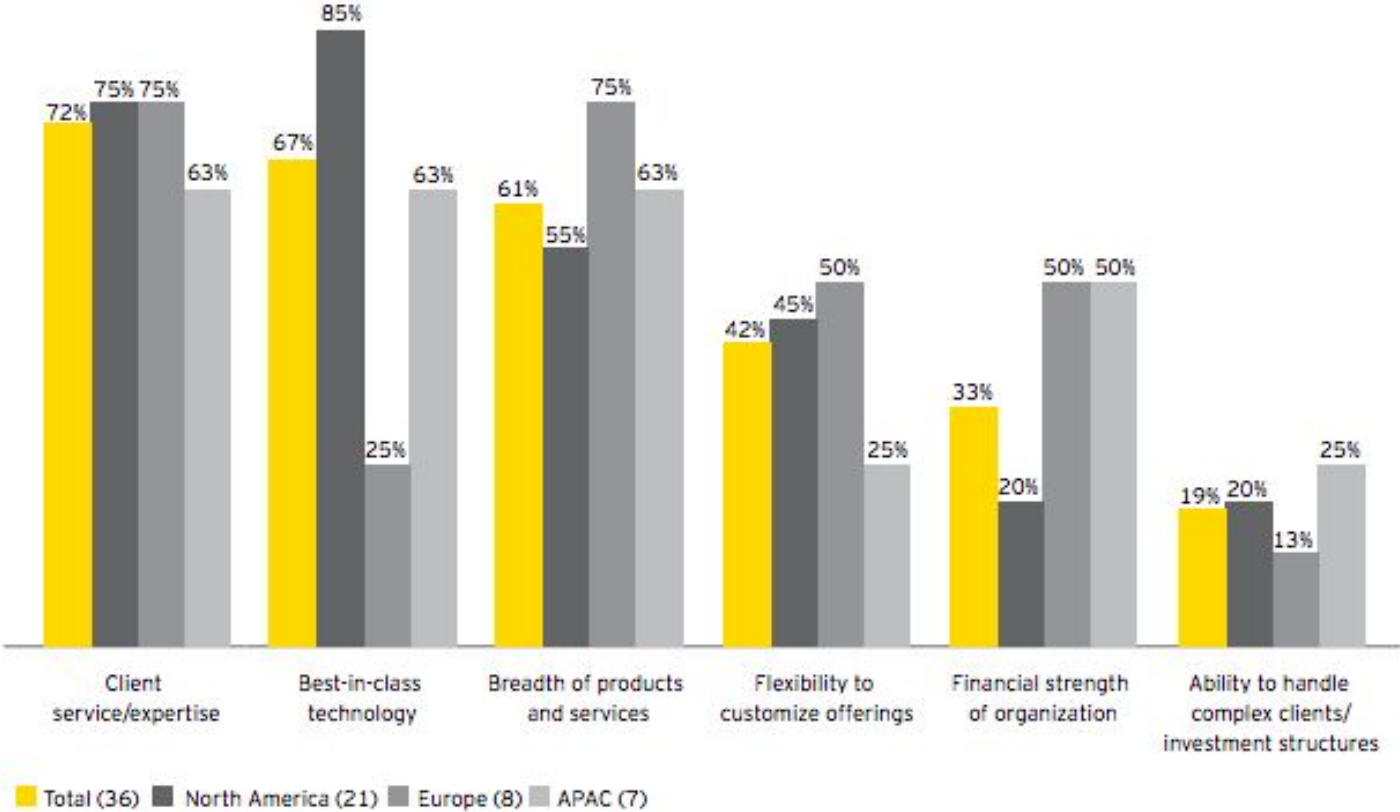
MacBook

Product Adaptation



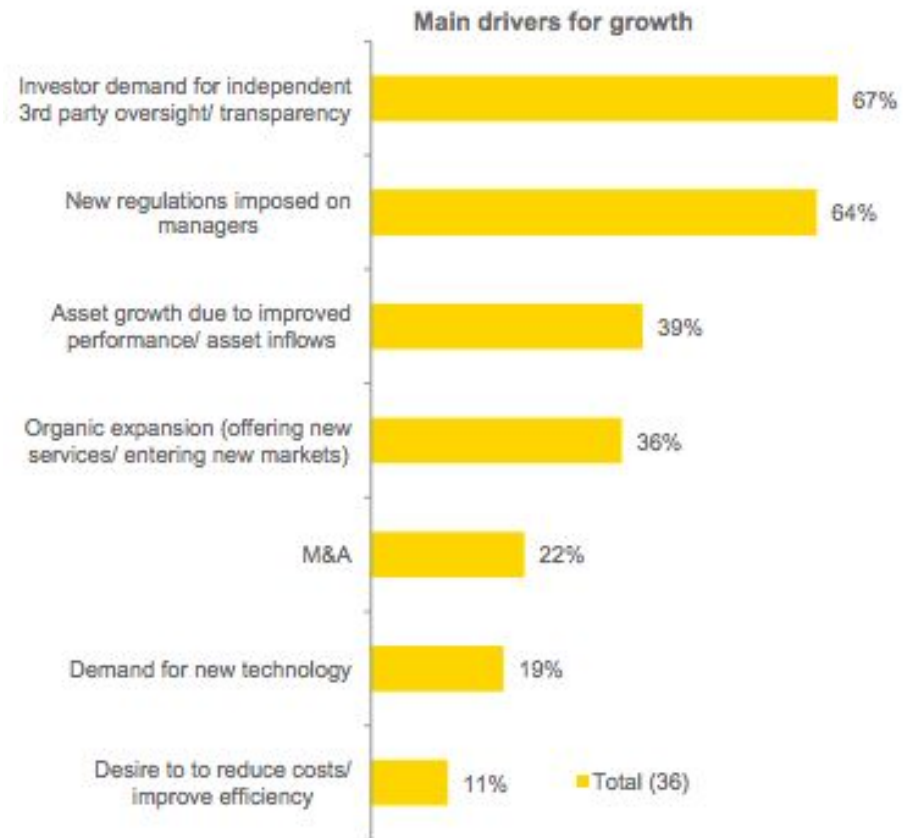
Product Adaptation

Methods to differentiate from competitors

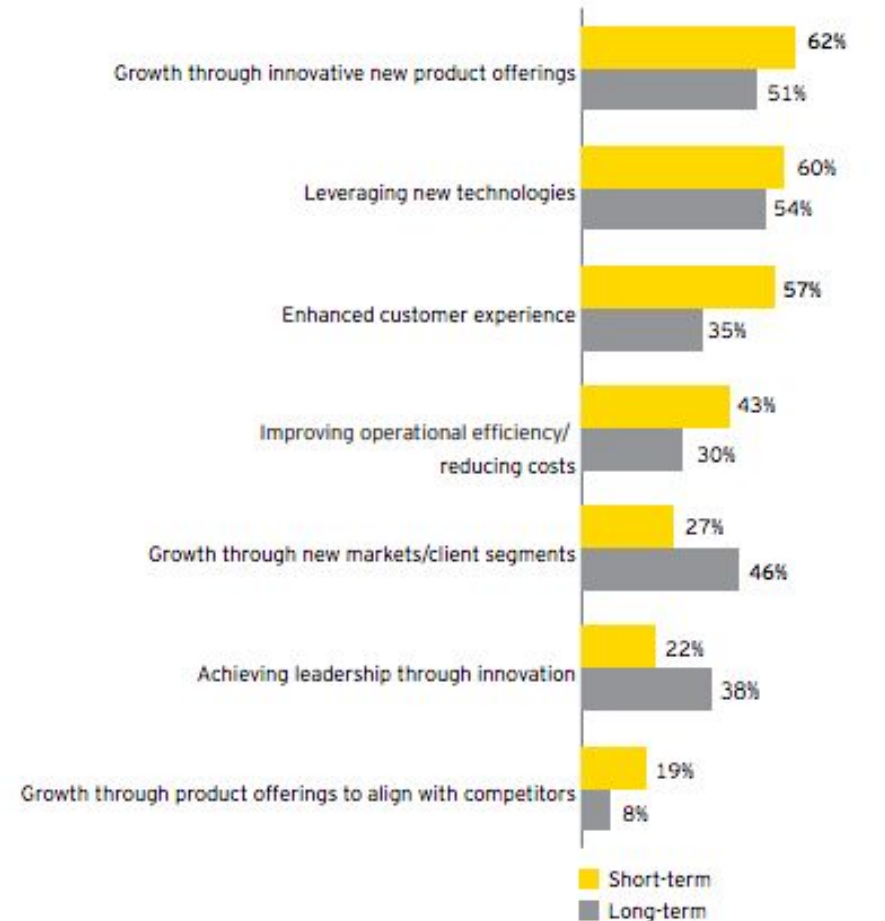


Source: EY New opportunities for asset servicing Global Asset Servicing Study

Product Adaptation



Product Adaptation



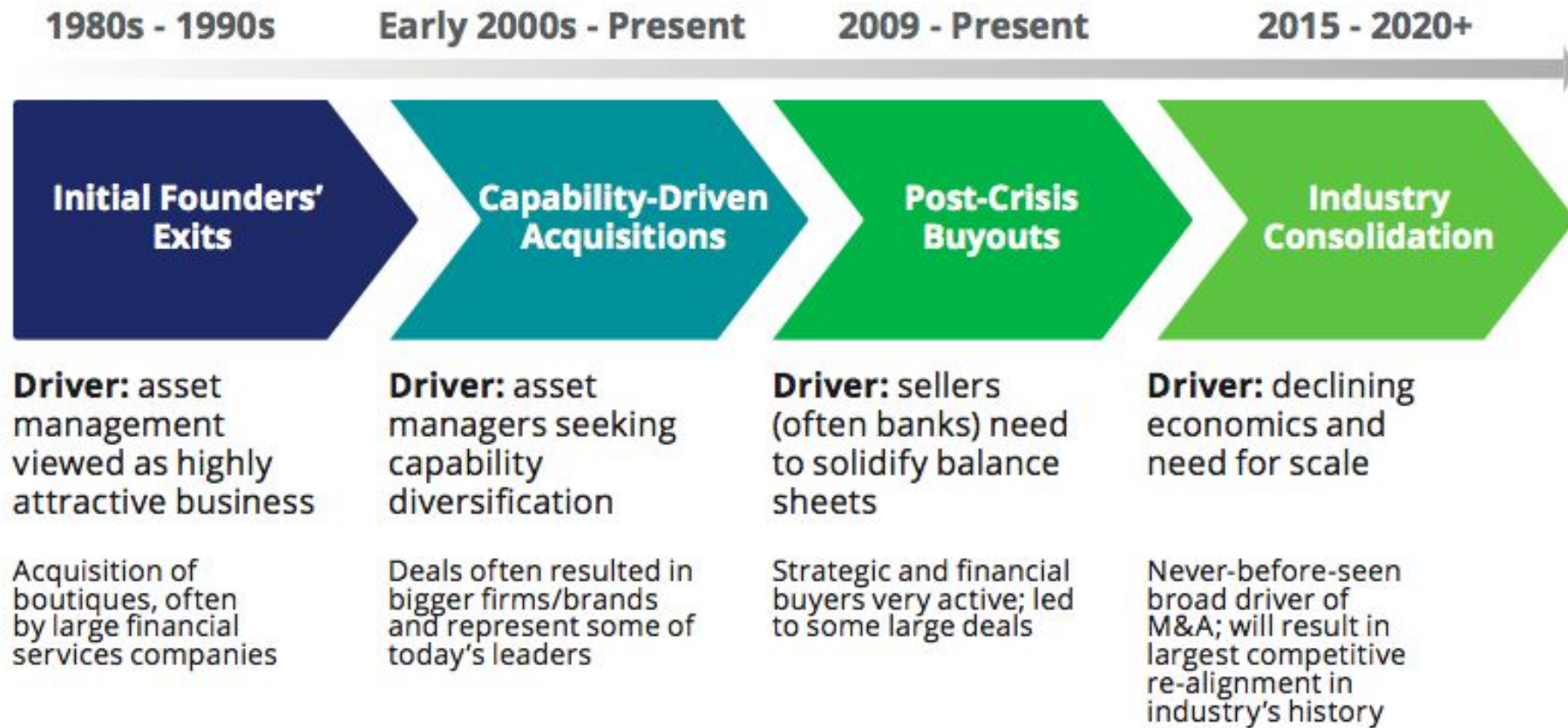
Product Adaptation

In order to be able to deliver more products at a competitive price AM need to merge with other asset managers:

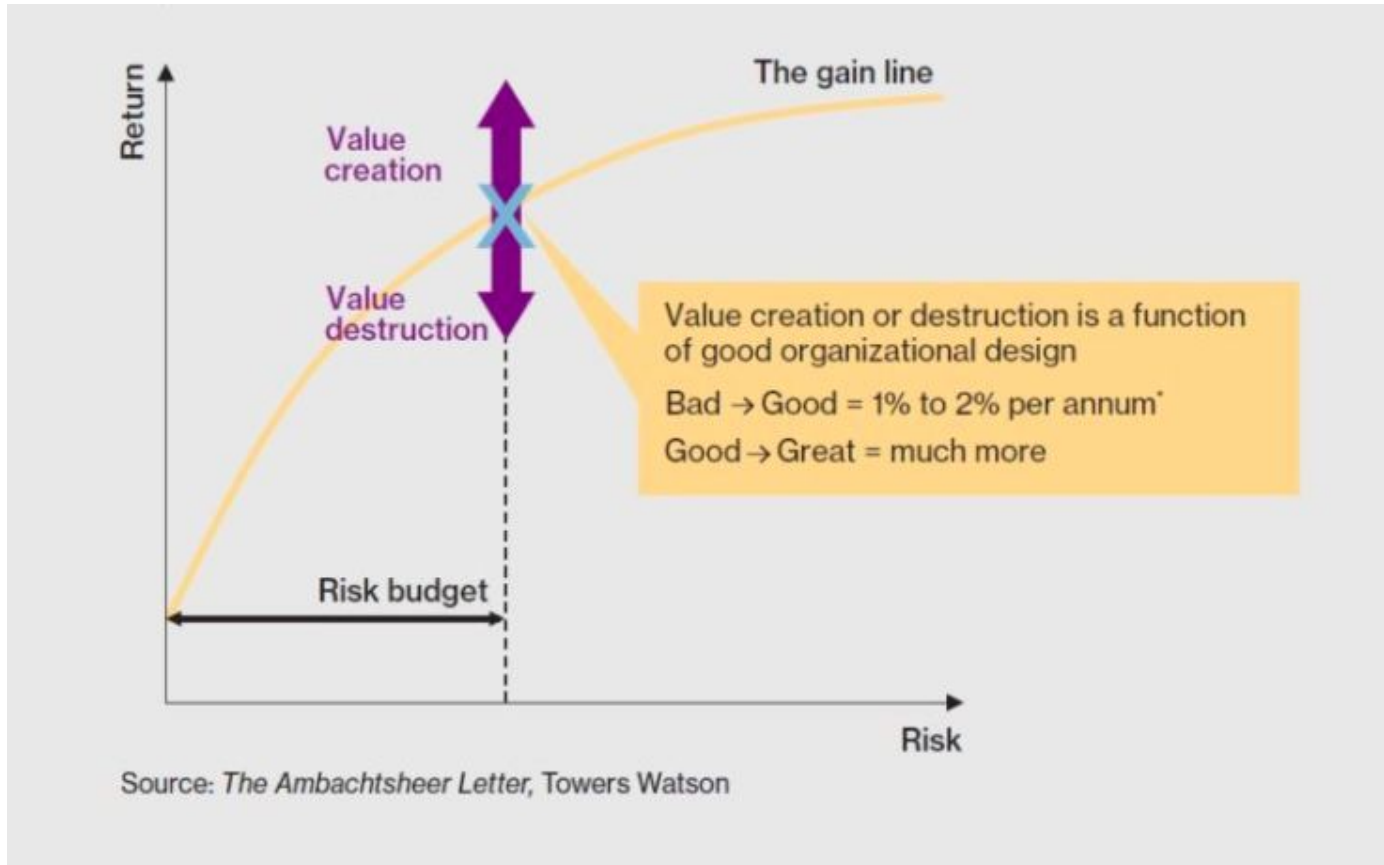
- Acquire other Companies and thus acquiring new capabilities
- During 2017 almost 257 firms merged globally

AM need to offer a wide range of products which sometimes can be limited due to lack of expertise, thus outsourcing is key.

M&A



Delegate



From Product to Service



- ETFs
- Bonds
- Stocks

- Funds
- Investment Solutions

Thank you!
