CHESTNUT ADVISORY GROUP

Grow Your Edge With Investors

Getting Heard:
How to Ensure Investors Actually Hear Your Message

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IN THIS ARTICLE

After spending enormous resources crafting a message designed to resonate with investors, managers face a second hurdle: getting their message heard. Although investors tell us they feel overwhelmed with information, our research shows that few manager messages reach their targets as intended. We've identified the best approach to ensure investors actually hear what you have to say.

An investor's email inbox remains the single-best message delivery route. Almost all the allocators we interviewed cited their personal email as the most useful method of receiving thought leadership from asset managers. Investing in a strong, consistent email strategy is the most effective step any manager can take to ensure their message gets delivered as planned.

Repetition across multiple non-email channels helps your message get through faster and more clearly. Allocators tell us they like receiving manager insights via webinars, at industry conferences and via newsletters almost as much as they do via email. By the third or fourth time investors hear your message they start feeling that they know you.

New online channels are becoming outstanding and efficient methods for message dissemination. Content aggregator websites like Harvest Exchange and selective social media campaigns on LinkedIn can also drive strong impact, with much less cost and effort than most other channels.

Useful Means of Thought Leadership

Chestnut Advisory Group provides business development consulting to asset managers. Chestnut helps managers raise and retain capital by providing custom go-to-market strategies and content.

Getting Heard:

How to Ensure Investors Actually Hear Your Message

As communications channels multiply, the marketplace of ideas has become more noisy and less efficient and effective. Our research among 103 institutional investors and consultants reveals the best approach for managers to successfully get their carefully crafted messages through to investors and consultants.

Great Thought Leadership Drives Capital — If it is Heard

Our previous article, *Great Thought Leadership: What Successful Asset Managers Do Differently (May 2017),* highlighted the importance of great thought leadership to a successful asset management business. A full 76% of consultants and almost 70% of plan sponsors told us great thought leadership has a big impact in their decision to hire and retain an asset manager.

Managers who understand this demand for insight are investing significant resources to meet this need. Once the content is generated, however, managers face a second challenge: getting their message through in an increasingly noisy marketplace.

Email is the Single-Most Effective Tool for Investors

Email is by far the most useful means of receiving manager insights, as cited by 92% of our survey respondents. As a result, we recommend highly that managers develop an investor relations email plan.

A manager's email plan can be straightforward or more sophisticated, but given the 18+ month sales cycle, a long-term plan is necessary. At a minimum, plan a regular distribution of your performance discussions, and ensure any other insights you distribute do not compete with performance reports. For more intensive efforts, identify a few key themes you are trying to be known for and plan to distribute major and minor pieces reiterating those themes on a regular basis. Larger firms may even have different target markets receiving different email campaigns.

For managers offering a wide array of products across multiple end channels (particularly those with strong retail and institutional businesses), the email exercise becomes focused on editing and restraint. Thoughtful use of the distribution list, mixing up who is sending the email (i.e., from the company versus from a specific consultant relations person or salesperson) can help. Investors and consultants who are bombarded with almost daily emails from the same source will begin to ignore them. At that point the manager has lost the most effective thought leadership distribution channel, despite investing enormous resources in it.

For any asset manager, levering your Client Relationship Management (CRM) system is critical as it can help you identify ideal email targets by using segmentation and tracking touchpoints.

Best Practices for Email Distribution of Thought Leadership

1. **Build a clean client and prospect email list.** Be sure to update your database regularly to ensure you are reaching your intended target audience.

2. **Have an email plan.** A manager's email plan can be straightforward or more sophisticated, but given the 18+ month sales cycle, a long-term plan is necessary.

3. **Be sure your subject line pops.** It is important your subject line resonates with the audience you are trying to reach so that the recipient is curious enough to open your email.

4. **Know your audience.** Wherever possible, personalize your content to your intended audience. If you don't, you are more likely to get a higher unsubscribe rate.

5. **Keep it clear and concise.** The key to a good email is to keep it brief and to the point. Many people don't read but merely scan their emails.

6. **State a strong call to action.** Be sure to include a clear call to action pointing to a place (your website or a link to the full article) where the reader can learn more.

The more you can implement the CRM into your marketing activities, the more targeted and efficient you'll become.

Beyond Email: Repeat, Repeat, Repeat

As popular as email delivery is among allocators, using email alone is like the sound of one hand clapping. Investors need to see your message several times, in different venues, before they begin really hearing you.

Investors tell us the other most useful means to receive manager communications are via firm newsletters, webinars, investor conferences and the manager's website.

Newsletters are a great way of highlighting key topics on the minds of investors and can be delivered electronically, which most investors value. Webinars are a cost-effective way of getting your message heard while saving thousands of dollars in fees and travel. While conferences tend to have a higher price tag, they often times pay for themselves by building personal credibility and new relationships with potential investors and consultants.

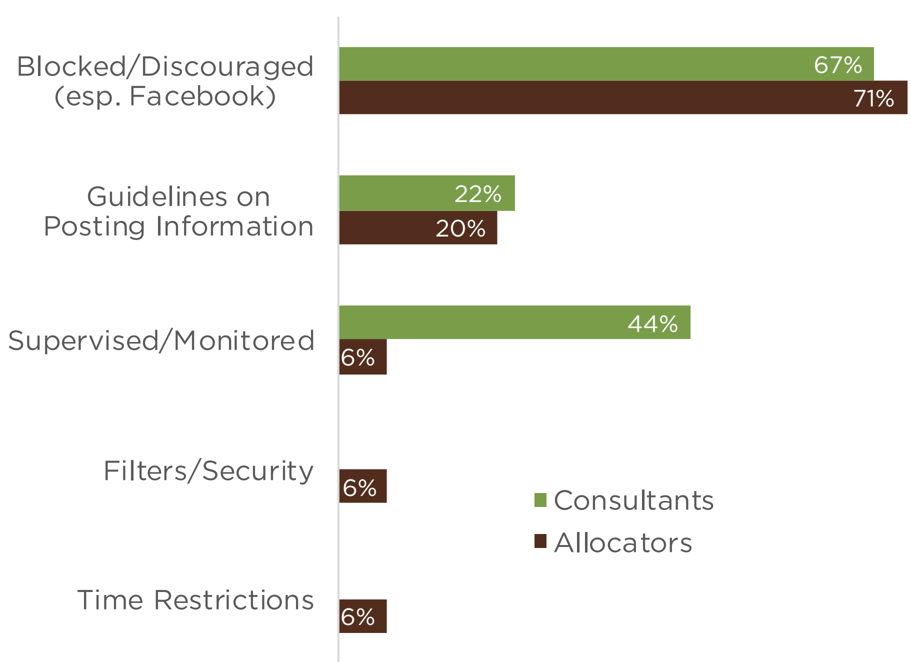
The same planning process we recommend for email distribution of thought leadership should then be expanded to include plans for these other channels. An asset manager's most important themes should be repeated across each of these other channels, to the extent the manager wants to use them. So, for example, if the firm has a conference budget, it should be used to get speaking slots for relevant firm professionals who are best suited to repeat that message in front of an interested target audience. Timing the usage of all these channels should be carefully managed, so that target investors have recurring opportunities to be exposed to the manager's message over an extended period of time.

> "We view the websites of our asset managers many times daily. It is the first website that I open up, because it houses all of the portfolio's most important data."
>
> *- Insurance Company Investor*

Social Media Can Be a Useful Supplement

For all the attention that social media is getting as a message distribution system today, with increasing usage from politicians to pop stars, investors

Workplace Social Media Restrictions for Investors



remain largely absent from this channel. Virtually all consultants and institutional allocators are blocked from accessing most forms of social media in the workplace, and about 70% are entirely blocked. Compliance is the primary reason for this blockage. We believe these usage restrictions are the major reason that email remains such a powerful channel for investors.

To penetrate the institutional marketplace today, Facebook and Twitter are not platforms we suggest utilizing unless you are targeting retail audiences, as this is not a primary platform for the institutional client base.

LinkedIn, on the other hand, is heavily used by both retail and institutional investors. Literally all of the consultants we spoke with and 80% of allocators tell us they use LinkedIn regularly. An asset manager must have a strategy around content posting to maximize their reach. We recommend first posting the content to your company page, and then have your salespeople and investor relations team share the post with their contacts.

Only 16% of allocators and 38% of consultants tell us they are very receptive to a LinkedIn request prior to an initial meeting with that manager. We recommend careful consideration of the timing of any LinkedIn request — generally after the initial meeting is most effective.

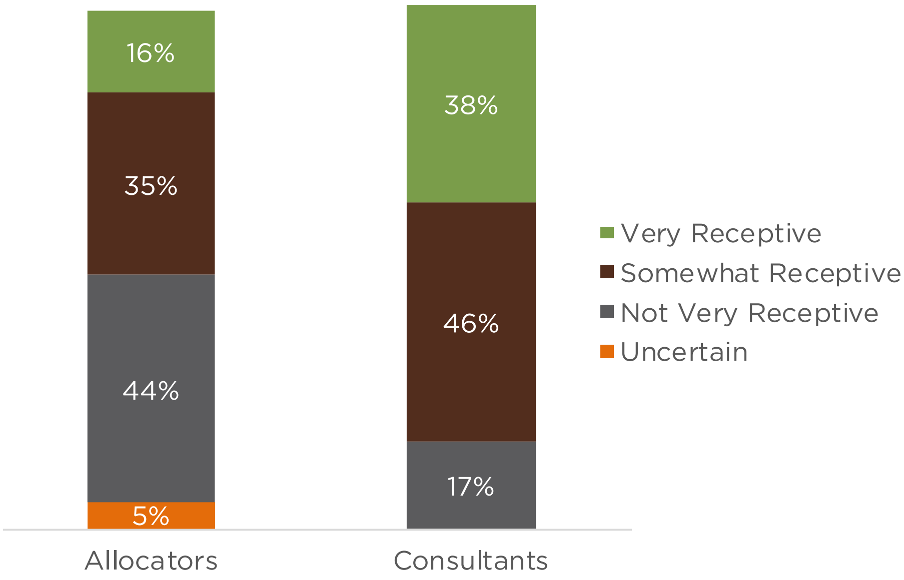
> “Prior to meeting with a new person from an asset manager, we assign someone to do a detailed study of their LinkedIn profile as a part of our due diligence.”
>
> - *Consultant*

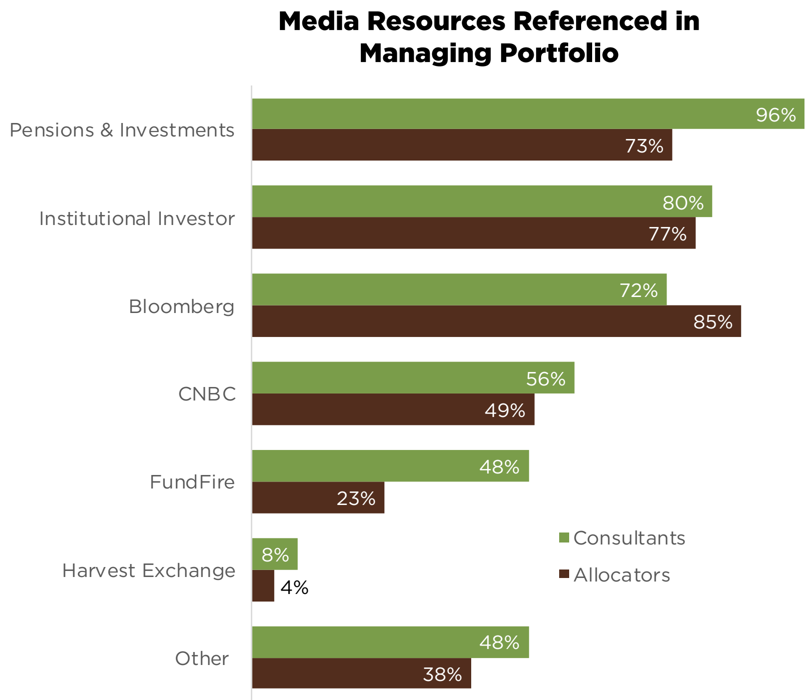
Traditional and New Media Also Effective

Getting quoted in a major media publication today does not have nearly the impact it used to. Investors tell us they find a manager's website to be more useful in gleaning investment insight than via traditional media. That said, investors do look to media for insights, again primarily via the emails those media services now distribute. Over three-quarters of institutional investors and consultants utilize three of the world's leading publications for institutional investing: *Pensions & Investments, Institutional Investor* and Bloomberg.

Although most trading floors today have television screens broadcasting 24/7, institutional allocators are less tuned in; only about half say they use CNBC for investment insights. We believe CNBC remains the most effective for penetrating the retail channel.

Investor Receptiveness to Connecting with an Asset Manager via LinkedIn Prior to Initial Meeting





Notable Emerging Media Sources, Such as Harvest Exchange...

Harvest Exchange, dubbed by *Forbes* as the "LinkedIn for Wall Street," provides a single destination to find actionable investment insight published by the world's leading asset managers. Harvest is growing rapidly. In 2017 over 1.6 million investors used Harvest, ranging from institutional CIOs, investment consultants and portfolio managers to financial planners and individual investors. Individual investors made up the largest constituency of users in 2017.

The Harvest content library consists of investment insights, whitepapers and videos distributed by over 1,500 asset managers and financial firms. Harvest connects investors and asset managers through knowledge by hosting relevant content in one place. Users can tailor their individual accounts to receive only information (all tied to email notification) on the strategies and asset classes they are interested in.

Content publishers on Harvest Exchange can use a service enabling them to obtain contact information for the readers of their content. We have heard several instances of new investors being discovered via this channel. In addition, Harvest can provide publishers with detailed data regarding uptake of each published piece on the platform, helping managers further hone their message and marketing efforts by seeing what content resonates with what type of audience.

...and Even Newer Channels

The splintering media landscape has impacted investors too: Almost half of consultants and 38% of allocators say they use other media sources beyond the largest investment media resources above. The types of media used here is a long list, including podcasts, YouTube channels and many other niche publications, old and new. Many of these niche publications are specific to certain asset classes, such as venture capital, real estate or derivatives. Each manager should think carefully about which channels will best meet their needs.