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**SPEED READ**

- Asset management firms must disrupt or be disrupted
- incomeIQ has a behavioural test at its core
- Clearer communication is needed in this sector
- Customer insights help shape future strategy

# EMPOWER THROUGH INSIGHT

It is clear that the entire financial services industry is facing disruption, and it's not just from the agile FinTechs and so-called robo-advisers, says CLELIA FABBRICATORE.



**T**he 'perfect storm' of challenges facing asset management firms has really come to the fore in recent years. There's no doubt that new, lower-cost business models for a more informed and self-directed audience are here to stay.

Individuals are increasingly taking greater responsibility for their own financial wellbeing and asset managers are under even more scrutiny and need to explain what they do and how they do it. At the same time they can play a valuable role in providing useful insights to investors.

Marketing is also changing, with a different skillset required to be effective in a new world of bespoke and dynamic content and data-driven decisions.

This environment leaves traditional players in the sector facing the decision to 'disrupt or be disrupted'.

Part of my role last year was considering how to respond rapidly to global demand for income investing. The outcome was two months of highly accelerated activity to launch Schroders incomeIQ, a content-rich knowledge platform that aims to support investor decision-making.

**WHAT IS INCOMEIQ?**

The incomeIQ platform delivers content and interactive tools that help private investors explore their income investing goals and understand the psychological factors, or biases, that might influence sub-optimal decision-making in the investment process.

At its core is a behavioural test, which thousands of users have now taken to assess subconscious influences on their investment decisions. It's really about empowering private investors through insight.

**THE THINKING BEHIND IT**

We knew from our Global Investment Trends Survey that income investing was high on private investors' agendas. Of 20,000 consumers surveyed, 87% were looking to invest for income. Of 2,000 advisors surveyed, 92% identified income as a priority.

The key focus is on the holistic needs of investors – going beyond traditional methods of assessing risk appetite to consider what other factors come into play when investors make decisions that have long-term consequences.

**SUPPORTING CONTENT**

There was a clear shift in our focus to consumer need as the marketing driver, rather than promoting funds. The industry as a whole has to get better at communicating in a clear and unambiguous way for consumers. This is just as important for our distributors, who benefit from a more informed investor.

Private investors are doing more of their own research, so our brand needs a presence in those places where they're searching, offering up helpful content to support the decision-making process.

Focusing on income needs was our first move, but other needs-based theme platforms will follow, moving our focus from campaign-based marketing to always-on content solutions.

**DELIVERING INSIGHT**

The outcomes have been very encouraging, not only from a consumer engagement perspective, but also from tangible leads and opportunities in our distribution channels.

We're currently gathering the results from the global roll-out and thousands of users taking the test, and we're picking up on some interesting regional variations. ■

**GLOBAL SUCCESS FOR INCOMEIQ**

**Winner of International Support Initiative of the Year at the International Adviser Awards**

The judges commented that incomeIQ is a genuinely innovative approach that adds value to the adviser-client relationship. It is also a great example of a digital product that improves as it gathers data from clients but understands that you have to give something back in return to earn that data, in this case fresh insight into an investor's behaviour and attitude to risk.

**Winner of the Insight Award (Data and Analytics) at the FStech Awards**

The judges highlighted incomeIQ being driven by true insight and creating strong results that delivered alongside the desire to better serve its users.

**Investment Week Marketing and Innovation Awards**

Winner of **Campaign-Consumer** for the incomeIQ initiative and its innovative approach to educating consumers.

Winner of **Digital Marketing Campaign** for incomeIQ and its forward thinking use of digital technologies. Highly commended in **Judges Award**.