Breaking through the noise:

Winning Product Marketing Strategies for Investment Funds

Grndworx

Focus on what counts

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Introduction

In 2023, European investment fund managers **launched 1,882 new funds,** averaging more than five each day. At the same time, **over 1,500 funds disappeared**, highlighting a competitive and crowded market. According to BCG, **only one-third of new funds make it to their 10th anniversary.**

The issue becomes more pressing as margins in the investment industry are being compressed and passive funds gain popularity. So, how do you stand out in this competitive and commoditised market?

In this whitepaper, **we'll highlight four key factors that can help you differentiate and build successful product marketing strategies** in investment management.

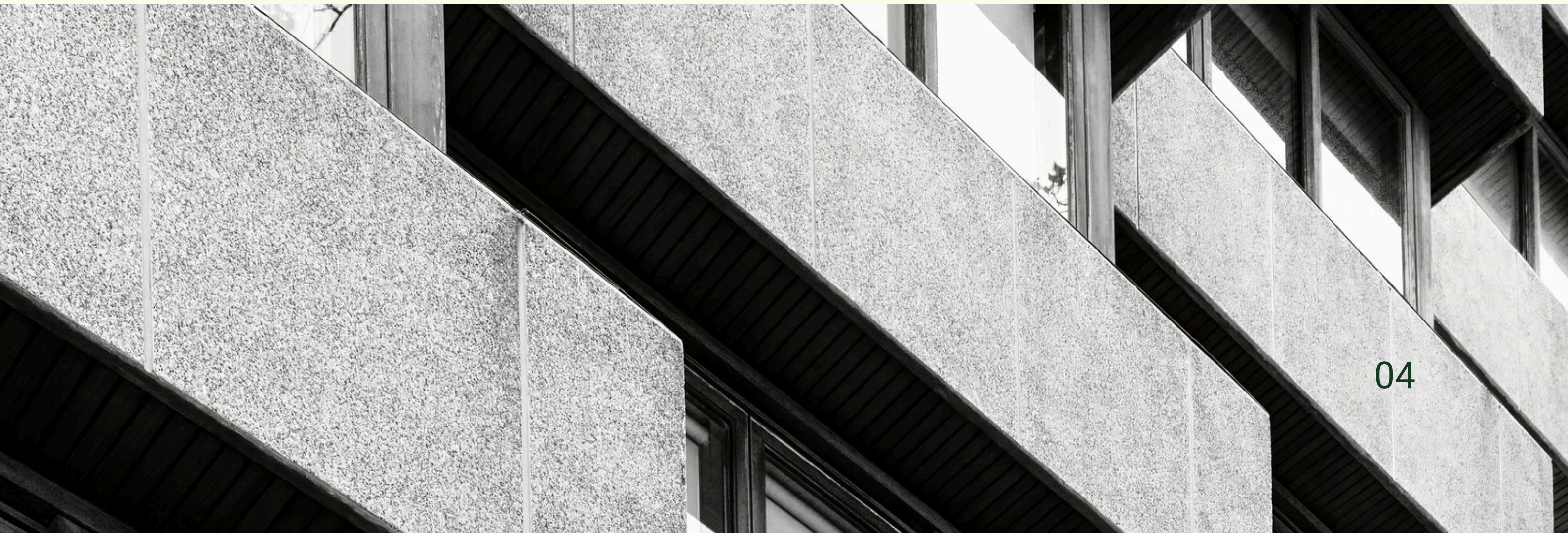
1. Know Your Customer(s)

In investment management, it is common to confuse the gatekeeper with the end customer. For instance, a typical mistake is assuming the marketing job is complete once the fund selection team of a distributor agrees to place your fund on their shelf. However, this is merely the beginning of an effective marketer's role.

To successfully launch a product marketing campaign, it's crucial to **tailor your messaging for each stakeholder involved in the sales process**, both within your firm and at the distributor:

- **Internal sales team of the asset manager:** They need to be comfortable with the product and understand it thoroughly to sell it effectively.
- **Fund selector or CIO of the distributor:** They must be convinced of the added value of your product compared to their existing offerings.
- **Relationship managers, bankers, or IFAs:** They need quick and compelling arguments to persuade their clients of the product’s benefits for their portfolios.
- **End Client:** They must understand the product’s benefits in clear and concise language.

Depending on your distribution channel and client base, the details of the setup can vary, but the principle of "knowing your customers" remains a foundational factor for any successful product marketing campaign.



Only 5% of potential buyers of a product are “in-market” at any given time!

2. Branding & Positioning: Make Your Product Stand Out

One of the first things people think about when positioning a product are its unique selling propositions (USPs). It’s true that for asset managers, **transforming product features into client benefits is a good exercise as it shifts the focus from the product to the customer.**

However, many asset management products are commoditized. The differentiating potential of a team, asset class, or investment process is limited. Investment performance may differentiate for a while, but this is a fleeting advantage. **Also, only 5% of potential buyers of a product are “in-market” at any given time, but your marketing campaigns should also reach the 95% who may buy the product in the future.**

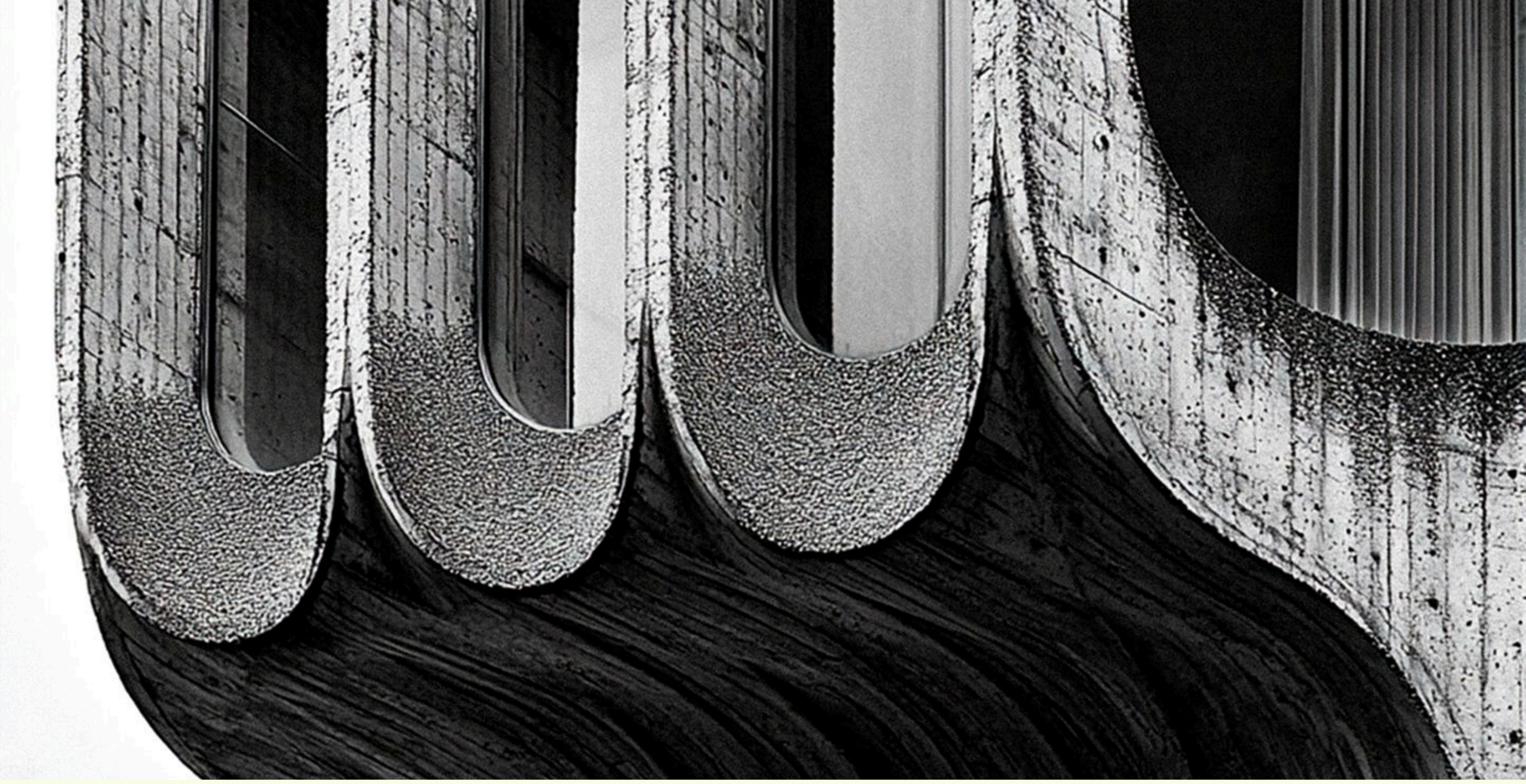
To address this challenge, marketers should focus on brand distinctiveness, making your brand easy to recognize and purchase. This can be achieved through strong brand names, logos, consistent branding, and wide distribution. When buyers frequently see your product and find it easy to purchase, they are more likely to choose it when they are ready. **Investing in brand marketing is crucial as it supports future sales by leveraging previous brand investments.**

3. Align Marketing and Sales

According to the B2B Institute, the **overlap of B2B buyers reached by sales and marketing is just 16% in Europe.** Even worse, the **overlap between brand marketing (top of funnel) and demand marketing (product campaigns at the bottom of the funnel) is only 6%!** The good news is that **there is considerable scope for improvement** for B2B firms in general and asset managers in particular.

Better alignment between sales and marketing can significantly boost revenues, increase retention, and reduce sales and marketing expenses—an important argument at a time when profit margins are shrinking.

Account-based marketing programs can help establish a strategic dialogue between sales and marketing leaders about the target audience for a product or service. This approach should be accompanied by wider brand and bottom-of-funnel marketing activities that build and maintain mental awareness of the product with current and future clients.



4. Cover All the 4Ps, Not Just Promotion

In many investment management firms, the marketing team is often seen as responsible **only for promoting funds** to customers, which is just one part of the overall marketing strategy. However, marketing should be involved in all aspects of the product's journey, not just promotion. Here’s why:

Product

When marketing is involved early on, they can help shape the fund or investment offering to better meet customer needs. For example, decisions about **fee structures, dividend payments, or whether the fund should offer currency hedging, geographical and segment targeting can make a big difference in how attractive the product is to potential investors**. If these decisions are made without marketing's input, the product might not be as appealing to the market as it could be.

Price & Place

Price

Management fees or other costs need to align with what customers are willing to pay. Marketing teams, with their understanding of the market, can help ensure that the pricing strategy is competitive and fits the target audience's expectations.

Place

Marketing can identify the best geographical areas or platforms (online or offline) to offer the product. If marketing is only brought in after these decisions are made, there might be missed opportunities to reach the right customers in the right places.

Promotion - online or offline

Promotion

While promotion is marketing's obvious role, if they're involved from the beginning, they can create more effective campaigns. Marketers can communicate the unique features of the product that they've helped shape, making the promotional efforts stronger and more aligned with the market's needs.

Marketing's transversal view is invaluable in verifying product features early in the process, ensuring an optimal product-market fit. This helps avoid costly mistakes or failed product launches.

Conclusion

In a competitive, crowded market, product marketing is crucial. With deep customer insights, strong branding, and a cohesive marketing team, you're set up for successful product launches.

Reach out to us to discuss your next launch. Our expert and managing partner, Willem Redert, is ready to connect with you.

We'd love to talk with you!

Willem Redert,
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