

Selected Highlights - 2021 EY Global Wealth Research Report

As the world slowly moves toward the end of the Covid-19 pandemic, many of the region's players are seeking to align themselves to best capitalise on the new reality we all find ourselves in. Hubbis had the opportunity to catch up with Mark Wightman, the Asia-Pacific Wealth and Asset Management Consulting Leader for multinational professional services provider EY, who spoke with us on the back of the publication of the firm's new research - entitled '2021 EY Global Wealth Research Report' – to elucidate on its findings, and how the report's contents may best serve those seeking to excel and differentiate themselves.

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MARK WIGHTMAN
EY

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What does the report tell us about the evolving service models in wealth management?

What the survey tells us this year is that clients are clearly expecting more for free. A lot of the commoditised services should be there and they’re not expecting to pay for them. But, and I think this is an important ‘but’, clients are prepared to pay extra for a tailored and more holistic experience.

We do see a lot of firms today thinking about how they’re going to improve their customer journey, how they’re going to provide a better, more tailored service. What’s more, we also see demand for diversifying financial products. So there’s a product suite question. There’s a service model across the wealth continuum. Finally, we all know, particularly the high-net-worth end, here in Asia, a lot of clients have multiple banking accounts. But we are seeing clients wanting to consolidate their activities in one place. So there’s growing interest in terms of actually aggregating, bringing information together. And again, clients are looking for service providers that can provide that to them.

How has Covid-19 affected client preferences towards engagement from their wealth providers?

During Covid-19, we’ve seen people look at how they can interact with their wealth providers in a lot more detail. If we look at Google hits, there’s been a lot more queries around digital wealth providers. And increasingly, clients are saying they do want to, or are already using, FinTech providers.

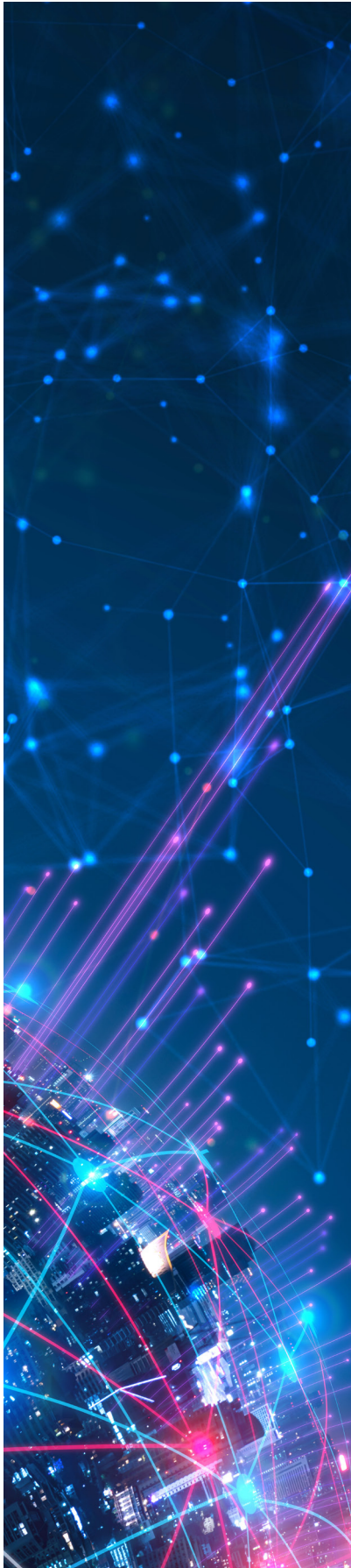
If we look at the growth that we’ve seen on the D2C space, whether it’s here in Singapore, in markets like Malaysia, Hong Kong, and the like, there has been a significant uptake in some of these robo services. Obviously, the ‘work from home’ and Covid-19 world has, if anything, accelerated that.

Going forward, when we look at the engagement model, the feeling and the feedback from the survey suggests that increasingly, clients expect to interact through apps. They would definitely want to use potentially digital first, particularly for the retail and mass space, and less so branches. And equally, the same applies to call centres, and some of the traditional face to face media.

Going forward, it does suggest that digital is going to be an important medium. But equally, when we think about digital, it’s got to be a humanised environment. So what we mean by that is, it’s not purely digital only. There is an option, a hybrid option for human-based interaction and when we look at the interaction, it should be far more personalised.

There is an expectation now from clients that if I’m going to give up some of my data, I’m expecting a series of tailored recommendations and advice coming back to me. So, whilst clients, for the service, yes, clients are happy to share data, there is an expectation of getting value in return for sharing of that data.

Going forward, there’s lots of talk about hyper-personalisation, leveraging next best actions, leveraging AI and the like, but ultimately that comes



back to “be relevant to me.” We’re moving to a world where, if anything, rather than seeing segmentation from retail to mass, to ultra, to high, to ultra-high net worth, we’re actually going to see far more personalised segmentation, where there’s expectation that wealth providers will understand the individual, their goals, and be able to provide better services for them.

There is lots of talk around ESG and Sustainability. How does that affect wealth managers in reality?

Sustainability is absolutely one of those questions which has been coming up more and more over the last year, 18 months. I think initially, a lot of firms were thinking about this as just purely a product and services question for the firm. “Do I have impact-related, do I have ESG-related funds on my shelf?”

Increasingly, this is going a lot further than that. We are seeing clients expecting their wealth providers to understand their own personal sustainability goals. One thing that really stood out in the survey, even if we look across any of the countries in APAC, is that the majority of clients, 89% in fact, have sustainability-related goals in their life. However, in most cases, they said that their wealth managers were doing, generally, a woeful job of understanding those goals, and meeting them.

Now on one level, if we think about it, yes, there’s the product. That’s obviously from the funds through to the sustainable deposits, and the like. But increasingly, we see clients actually looking harder at their

wealth partners and saying, “well, okay, what about diversity of interest in this? How does that manifest in the firm?”

In many of these big organisations, we’ve seen C-suite announcements about being net zero and following their purpose. How does that manifest across the whole of the firm? And equally, how do you actually bring that to bear? We are seeing firms now thinking about collecting sustainability and ESG preferences from their initial conversation with clients.

As they build out their offerings end to end, whether that’s through product, whether it’s even through DPM- or APM-related services, with a sustainability lens, it’s key that the client is understood, their goals are understood, and they can actually meet those needs holistically, through the wealth process.

How can wealth managers use this information to differentiate themselves?

Differentiation is clearly one of the most important areas right now. If we look particularly here in Asia, more and more of the international firms are doubling down, and have strong growth strategies around the region. But in many cases, they’re trying to do similar things. They’re trying to increase the number of RMs, they’re trying to service the wealth continuum end to end.

And differentiation, in many cases, particularly if you sit there and you read their corporate pages, it’s actually very hard to work out what they stand for, because they will have open architecture, they will have digital offerings, they all have

a long history and an end-to-end wealth service.

So I think, really, what the survey says is, put the customer, put the client at the heart of what you're doing, understand what they want and be able to provide for it. What I mean by that is, particularly when we're doing work around operating models and technology with a lot of the private banks today, we're seeing this twin speed or dual speed development.

We've got the development of the customer experience at the front-end, which just clearly needs to be consistent across the wealth

continuum, and very, very agile. It needs to move and evolve. And of course, we've got the back-end, which is often a problem for a lot of the private banks and the wealth managers across them, because a lot of it is legacy. That's typically going to be moving at a different pace from the front end. But the key is, provide consistent and very much usable customer experience at the front end, through whatever channel, make it simple and be relevant. The client doesn't want to know about your latest auto piece of research, when their whole portfolio is in tech. So understand the client's needs, whether it's sus-

tainability, whether it's particular products, and make life simple. If we think about some of the challenges of cross-border suitability, build it in, end-to-end, make their life simple.

When we talk to clients, whether they be mass, private bank, or even ultra, generally speaking, they expect service, they expect simplicity and they want to put their money with the wealth providers that really can make life simpler, providing the products they want, providing them the services, the returns, and the capabilities that they need in a simple manner. ■

[CLICK HERE](#) to find out more about the **2021 EY Global Wealth Research Report**.

