

Women and wealth

Advising female investors on their terms

unblu

Introduction

How should we approach the question of women and wealth management today? The nature of this demographic—their needs and expectations—has changed. The current advisory model is not working for them. Major obstacles include a lack of trust among women in a male-dominant industry, an impersonal one-size-fits-all approach to advisory services, and an increase in disruptive competitors. Financial providers will need to implement significant changes if they are to win the attention and loyalty of this segment of the population.

This whitepaper will investigate who this demographic is and what they want, developing a better understanding of women’s demands when it comes to wealth management. What challenges do these expectations pose for providers? How can we better serve women and meet these demands?

Finally, we will explore the range of new digital tools available to financial advisors and why these solutions have the potential to transform customer service, meeting the needs of diverse demographics—including women—and reaping rewards for consumers and providers alike.

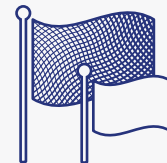
Major obstacles for women



Lack of trust in a male dominant industry



One-size-fits-all approach



Increase in **disruptive competitors**

Women: a powerful and diverse demographic

Women constitute half the planet's population. This makes them a powerful—albeit diverse—demographic. 80% of global purchasing decisions are already taken or influenced by women and their power is only set to grow. Furthermore, due to their superior longevity and the fact that more and more are returning to the workforce—plus the increase in women founding businesses—women's share of global wealth is expected to grow from 40% to 60%¹ in the future.



50%

of the planet's population are constituted by women



80%

of **global purchasing** decisions are influenced by women



50%

increase on women's share of global wealth expected

1: <https://blog.unblu.com/en/unblutalk-with-olga-miler>



Growing part of the workforce

Globally, only 55% of adult women² are in the labor market but their labor force participation is growing rapidly, especially in top positions. Today 44% of US companies have three or more women in their C-suite, up from 29% in 2015³. Holding these high-skilled jobs correlates with increased wealth creation⁴ and so, as efforts are made to close the pay gap and get more women into managerial and entrepreneurial roles, we will see an increase in women's wealth across the world.

Globally diverse presence

Women are hardly a homogenous segment of the global population and their share of wealth differs across continents. North America has the largest concentration of female-owned assets (37%) compared to women in Western Europe whose share of wealth is only 31%⁵. Meanwhile, Asia—

exclusive of Japan—is seeing the fastest increase in wealth creation for women with a current growth rate of 10.4% annually. If this continues, by 2023, Asia will have more female-owned assets than any other region except North America.

Educated and increasingly influential

In the US, millennial women are the most highly educated generation to date. 91% of high-net-worth millennial women have a university-level education compared to 80% of female baby boomers, which may explain the new level of financial confidence among millennial women⁶. 70% of female millennials say they take the lead in financial decisions compared to 40% of older women. In fact, American women today are making 90% of household financial decisions⁷—from home improvement costs to major investment and philanthropic choices.

2: <https://www.weforum.org/agenda/2019/12/global-economic-gender-gap-equality-women-parity-pay/>

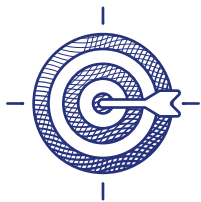
3: <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management>

4–6: <https://www.bcg.com/publications/2020/managing-next-decade-women-wealth>

7: <https://www.forbes.com/sites/maggiagermano/2020/09/22/how-women-can-change-the-world-with-their-money-choices/?sh=cb191d86138f>

Women: what they want and what they need

As consumers, women demand different things from their financial providers. They value personalization and also want to feel informed and armed with the facts before making decisions. Transparency is another key concern among women and they are also coming to expect a more engaging and interactive customer experience—one that involves multiple and diverse touchpoints.



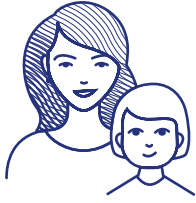
Risk-avoidant and real-life goals

Women's needs are different from men's. They are more likely to seek out financial advice, for one thing, and also have lower risk tolerance. This seems to pay off, however, with women enjoying a 2% higher ROI⁸ than men. Their investment decisions are also based on different considerations, with women putting more focus on life goals and values rather than simply performance.



A neglected demographic

Up to this point in financial history, women's needs have gone largely unrecognized. Banks and firms have relied on vague assumptions about what women want and the result has been products and services that don't truly serve this segment of the population. Today, with women's share of global wealth on the rise, this demographic presents a huge business opportunity and one that will require providers to acknowledge that a one-size-fits-all approach to women's wealth management is far from adequate.



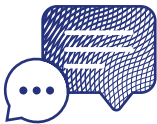
Desire for personalization

Women want financial advice that helps them to reach their unique life goals. This demands a greater degree of personalization in advisory services. Furthermore, a woman's life journey is different from that of men, involving issues such as maternity leave, flexible work schedules to accommodate childcare, as well as longer life expectancy. Despite a lower risk tolerance when it comes to investments, they also show a notable interest in philanthropic giving and sustainable investing⁹ compared to men. This requires providers to approach women's wealth management differently.



Commitment to the facts

In fact, what seems to be low-risk tolerance might just be a desire for all the facts. Rather than relying on gut instinct, women want all the data so they can make an informed decision before investing. Once they have all this information, they are likely to make similar investments as men—and do so with a greater degree of confidence. This balanced risk profile, plus the fact women often have more diversified holdings, means women's investments frequently outperform that of men.



A demand for greater transparency

For women, communication is key. They want more transparency in wealth management services. This requires a greater level of interactivity with a two-way flow of information between them and their advisors, as well as more regular touchpoints. Frequent check-ins with advisors would allow them to see if they are on track with their goals. Yet this kind of communication is currently lacking. A study by Accenture¹⁰ shows that only 35% speak to their advisors on a quarterly basis.

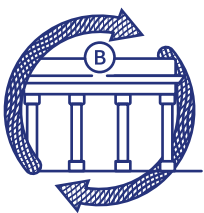
Meeting women's needs: obstacles and challenges

Meeting the needs of women poses challenges for financial services. After all, this is an industry dominated by men whose unconscious bias and outdated advisory approach have typically treated women as all the same. And with women willing to switch advisors if they don't feel they can trust them, firms risk losing customers to disruptive competitors.



Male-dominant industry

The majority of financial advisors are men, with female representation just 15% across all channels¹¹. Therefore it's no surprise that many banks display superficial gender distinctions and outdated assumptions about women's attitudes to wealth. The industry unconsciously upholds patriarchal norms that consider men the primary financial decision-makers. As a result, 30% of women¹² feel their relationship manager speaks to them differently because of their gender, 'talking down' to them or assuming that their wealth comes from spouses or family.



A significant lack of trust

Women value a personal connection with their relationship managers. They want to feel that their needs are being met and they are helping them to reach their financial goals. A third of affluent women¹³ say they would work with investment professionals that they trust—10% more than men.

This search for trust may be what prompts them to switch and shop around. In fact, 70% of women¹⁴ change their wealth relationship to a new financial institution within a year of their spouse's death.

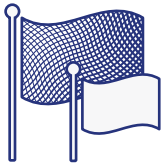
11, 13–14: <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management>

12: <https://www.bcg.com/publications/2020/managing-next-decade-women-wealth>



One-size-fits-all approach

No woman is the same. They are individuals. A young professional at the start of her career is going to have very different needs, desires, and demands to a stay-at-home mother of three. And yet firms often treat them as a homogeneous group with similar financial goals, ignoring their unique preferences and expectations. If firms are to capture a share of this growing market, they need to become more client-focused, paying attention to what each individual woman wants.



Disruptive competitors

The opportunities and potential represented by this increasingly influential market haven't gone unnoticed. We are witnessing an increase in advisory firms created specifically for women. These new companies are embracing innovative approaches such as data-driven customer service to meet women's diverse financial needs, and, as a result, their popularity is growing.

These specialized firms, willing to meet women on their terms, pose a serious source of competition to those traditional companies working from outdated and old-fashioned models.

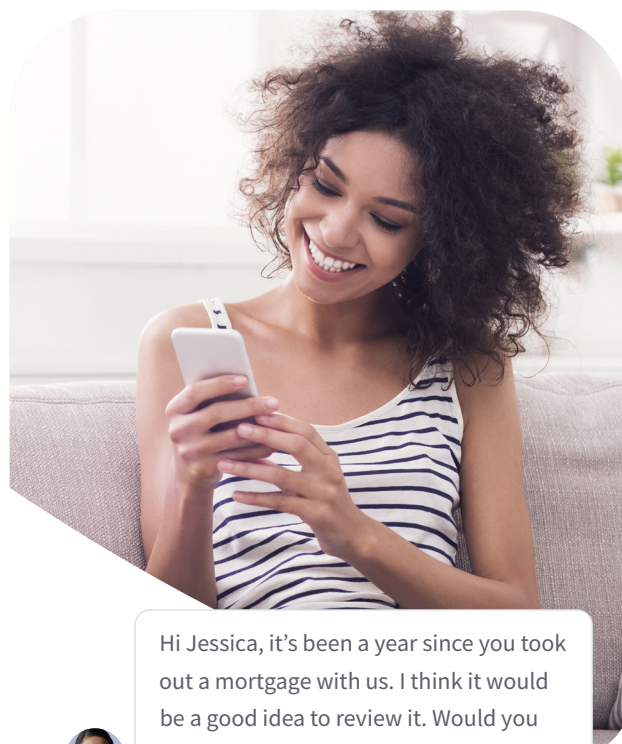
How to better serve women: opportunities and solutions

Faced with a wealth management sector that's ignoring their needs, it's not surprising that women feel alienated. BCG research shows that 64% of female respondents¹⁵ feel that their bank or wealth management provider needs to improve its value proposition. For those wealth managers that take this on board, capturing a share of this increasingly powerful market is a huge opportunity.

Understand their journey

The key to a value proposition that works for women is personalization. Services should be tailored to each unique woman and her specific life journey—anticipating the key events and stages in her life and planning accordingly. By training advisors to understand women's individual financial objectives and priorities and offering personalized products based on these insights, firms can better serve women.

For richer and more meaningful client conversations, firms need to leverage the all-important “moment of truth”—those interactions that transform a customer's perception of a service for better or worse. By doing so, financial institutions can reduce abandonments and drop-offs, boost engagement rates, and, most importantly for women, build and nourish a trusting relationship.



Hi Jessica, it's been a year since you took out a mortgage with us. I think it would be a good idea to review it. Would you have time?

Oh, yes that would be fantastic!

15: <https://www.bcg.com/publications/2020/managing-next-decade-women-wealth>

Go hybrid

Women want a relationship with an advisor they trust, and they also want to make decisions armed with the facts. By complementing an advisory service with automated solutions and self-service tools, banks can empower female clients to take control of their own decisions.

This hybrid approach has advantages for both customers and banks. Digital channels are cost-effective, saving resources and money while also streamlining workflows so that highly-skilled advisors can focus on high-touch activities—those that have more potential to generate revenue.

Embrace digital

Digitization is all about flexibility. Digital tools give women the power to access investment advice anytime, anywhere, improving engagement. An omnichannel customer experience combines these digital and remote interactions with intelligent tools as well as traditional channels such as telephone or face-to-face meetings. This allows women to choose how to communicate with their bank depending on their needs and preferences at that particular moment.

Here's a document that will help guide you on your investment decisions. We can go through them together.

 invest.pdf
PDF · 786 kB

If you increase the number of touchpoints with a customer, you inevitably boost engagement. With the knowledge that they can contact their bank at any moment—and in any way they choose—women's trust increases too. The result is improved satisfaction and loyalty.

Get ready to educate

Women value having the information, data, and facts they need to make more informed decisions. If firms are to prioritize advice-giving over product-pushing, they should provide educational events and forums that feature different investment opportunities, accounting for diverse financial objectives, and different life goals. This improved transparency can be applied to every aspect of the customer experience, from product details to terms and conditions.

Women will appreciate this improved transparency and place greater trust in their financial institution. As a result, banks will be able to build more solid and enduring relationships and greater customer loyalty.



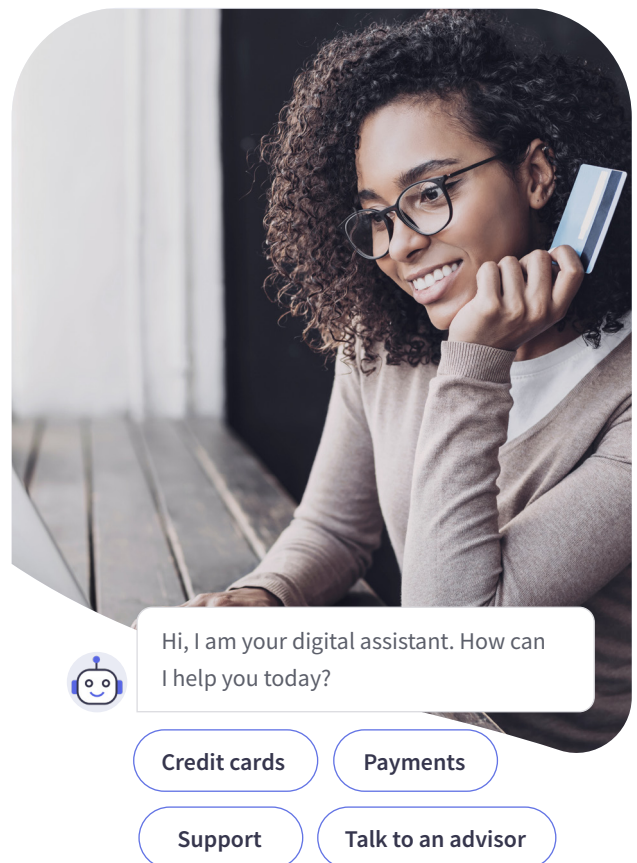
Digital tools for financial advisors

Digital innovation has transformed the range of tools available to financial advisors. Self-service bots free up an advisor's time and reduce support costs while live chat and secure messenger allow clients to communicate at their own convenience. Video call takes traditional telephone interactions to the next level, while tools like co-browsing harness high-tech solutions to further enrich conversations. By building these tools into a flexible omnichannel customer experience, banks can deliver digitally-enabled and personalized assistance that radically boosts engagement.

Self-service bots for convenience

Self-service chatbot technology is a cost-effective and time-efficient way to dispense advice to customers. For simple queries, chatbots provide instantaneous help, 24/7. As long as banks include an option for customers to transfer to a human advisor at any moment, this solution is risk-free. Customers can get human help whenever they require, guarding against abandonments and drop-offs.

Benefits of self-service bots are multiple. They reduce support costs. They increase productivity as advisors can delegate works to bots and focus on more complex and revenue-boosting tasks. Bots can also be used to gauge interest in products, generating more qualified leads.





Text messaging for instant support

Live chat software allows advisors to resolve issues and provide support to customers in real-time. Meanwhile, secure text messaging is a convenient and intuitive way for customers to discuss complex financial decisions with a dedicated advisor. Both tools take advantage of the popularity of digital messaging to empower customers to communicate with their bank in a way that is familiar and easy.

Live chat allows advisors to juggle multiple conversations, with canned responses that automate replies while retaining a personal touch. Secure text messenger enables customers to communicate with their advisor on their terms – and even integrates into popular messaging applications like WhatsApp.

Video & audio calls for extra reassurance

Video calls offer all the reassurance and familiarity of face-to-face exchange but with the added convenience and ease of being a remote exchange. Consumers are familiar with talking via video call thanks to the popularity of apps like FaceTime and Zoom. Video chat allows banks and customers to

connect in real-time in a secure way, building a trusting and productive relationship.

Customer satisfaction rockets when they feel that they are receiving personal and attentive help, all without having to come into the branch. Churn rates decrease, conversion rates increase, sales accelerate, and share of wallet is boosted too.

Co-browsing for better collaboration

Co-browsing software allows relationship managers and advisors to work alongside a customer, joining them on a web domain or application, or browsing documents simultaneously. It is secure, compliant, and convenient to use, with no downloads necessary. Most importantly, by providing a visual context to issues, it empowers advisors to deliver specific help tailored to the customer's unique problem.

Visual trouble-shooting resolves queries faster. And when customers are shown how to solve issues themselves, repeat problems are reduced. More secure and streamlined than screen sharing, co-browsing can also be used in conjunction with other conversational tools, like video call, to further enrich interactions.

Why Unblu

Unblu's Conversational Platform enables financial advisors to put human conversation front and center - in every online interaction and in every communication channel. After all, there's no replacement for a trusting relationship built on a personalized understanding of needs. When human touch, capacity for empathy, and expertise is combined with innovative technological capabilities, advisors are able to offer a truly holistic customer experience, delivering lasting value to the client and simultaneously driving revenue for the bank.

Compliance

Unblu's conversational tools are built to be compliant with the necessary financial regulations. All data is protected and stored in a central repository and the configuration of production systems is designed so as to allow access to an audit trail. With co-browsing, all sensitive data can be masked, while encrypted archiving and geofencing ensure that video and audio communication is also compliant.

Security

The SecureFlow Manager controls the flow of protected and encrypted resources, ensuring even the most highly secured applications can be safely accessed. Similarly, co-browsing is restricted to the application; the bank never receives any data or output generated outside of the app. Furthermore, Unblu's technology can be integrated into existing security set-ups without the opening of any additional ports.

Technology

Unblu's solutions require no downloads, installations, or plug-ins. What's more, the embedded co-browsing technology has been designed to handle large and complicated pages. This means that there's no transfer of the session to a proxy server, allowing banks to side-step the complications of large data transfers. It also means clients don't need to log in again on the proxy server.

Usability

Banks can create a seamless customer journey combining multiple touchpoints. For example, combining live chat or video and voice call with a co-browsing session. Advisors and clients can switch smoothly between a range of solutions. Plus, Unblu's system is highly configurable.

Integration

Banks and financial services can choose between different architecture options. On-premise installation is available for those clients that want to run the application themselves. An alternative is the Unblu Financial Cloud infrastructure or a hybrid option whereby some components are hosted on-premise and others are run in the cloud. Banks can also integrate Unblu's technology into existing systems such as CRM or Call Center Infrastructure.

Efficiency

Unblu's proven implementation methodology allows customers to become fully operational within a month. Unblu's system is modular which creates additional flexibility as banks and financial services can license as many functions as they need at that time and for their particular use case. More functions can be activated at a later date without the need for further installation projects.

Trust

Unblu has been working for over ten years in the financial space. We have helped with over 150 banking and financial service implementations worldwide, including projects for UBS, Deutsche Bank, Intesa Sanpaolo, and Barclays. With a range of innovative conversational tools, Unblu is transforming how banks engage and collaborate with customers, helping them to build trusting and productive relationships.

Conclusion

Financial services are struggling under an outdated approach to women and wealth management with an advisory model that sees this demographic as homogeneous, failing to meet them on their terms. Financial services need to review their value proposition and work towards a shift in paradigm if they are to tackle the issue of women's distrust of firms, distinguish themselves from disruptive competitors, and win over this influential segment of the population.

By taking the time to understand each individual woman and their unique financial journey, providers can offer a more personalized service that better serves their needs. A hybrid approach that combines automated solutions with help from human advisors allows for more efficient interactions.

Digital tools can be incorporated into a flexible omnichannel journey that empowers women to seek advice however they want. And an emphasis on educating female clients and being transparent with them will further boost trust and engagement.

Female investors aren't going anywhere and it's up to firms to decide whether to move with or against this tide of change. Neglecting female clients and ignoring their needs risks losing them for good. But a shift in mindset along with a digital-enabled advisory service that is personal, flexible, and efficient, will allow companies to serve this increasingly wealthy demographic and capitalize on the opportunities entailed by their growing influence.

About Unblu

Unblu helps the world's leading banks deliver an in-person experience online. We provide highly secure collaboration software, empowering banks to enrich the digital experience of their clients.

The Unblu Conversational Platform increases revenue and efficiency while reducing costs and improving digital customer interaction. Our clients have been able to cut customer support calls in half, achieve four times as many client meetings as in branches, considerably increase customer satisfaction, and produce a 90% recommendation rate. Unblu is transforming the future of online banking.

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