Opportunities Abound as Consumers Seek Guidance Along Confusing Customer Journeys for Advice

PARAMETER INSIGHTS

ABOUT PARAMETERINSIGHTS' WEALTHTECH RESEARCH & ADVISORY SERVICE

Innovation in the North American financial services market is fast approaching a point of inflection. Near-ubiquitous mobile access, multi-channel delivery, and technological evolution are rapidly altering consumer attitudes, behaviors, and expectations.

Annual subscription to ParameterInsights' WealthTech Research and Advisory Service comprises two separate reporting series. The first is a three-part series covering the evolving wealth advice category with a focus on modernization of wealth advice. The second is a three-part series covering self-directed investing via online brokerages.

BOTH SERIES PROVIDE TIMELY AND RELEVANT ANALYSES THAT SURFACE UNMET CONSUMER NEEDS, EVALUATE CURRENT MARKET PARTICIPANTS, AND PROVIDE IN-DEPTH DISCUSSION AND IMPLICATIONS OF KEY RESULTS AIMED AT GIVING OUR SUBSCRIBERS AN EDGE.

ABOUT PARAMETERINSIGHTS

PARAMETERINSIGHTS IS WHERE DATA MEETS STRATEGY: SIMPLY AND RELIABLY.

We combine deep sector expertise with custom research to provide our clients with data-driven and highly consultative solutions.

INTRO / PREFACE

THIS REPORT PRESENTS IMPORTANT CONSUMER-DRIVEN INSIGHTS FOR FIRMS OPERATING IN THE WEALTH ADVICE SPACE IN NORTH AMERICA.

Core topics are divided into three broad themes:

01   A return to advice? Engagement in digital advice is largely flat year-over-year but usage of traditional advice has increased.

02   Are full-service banks getting their fair share of retail customers into their wealth management channels? Awareness and usage of digital and traditional wealth advice rises among those who consider the parent bank to be their primary financial institution.

03   Confusion abounds as consumers decode various types of wealth management all wrapped as "advice". An examination of advisor services by advisor type in the US and Canada.

04   Appendix: Research Context, Methodology, Sample & Statistics

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RESEARCH CONTEXT

As an industry, wealth management is in a transitional period as technology advances provide opportunity for modernization of customer journeys. Reliable measurement of category familiarity, brand awareness, and brand engagement presents a unique set of challenges in the context of a changing market. Compared to relatively stable markets, transitional markets move quickly through multiple periods of change.

Wealth management channels are rapidly changing the ways customers can engage in savings, planning and investing. Market access, digitally led investing products, and high-quality support services have never been more available to consumers. As incumbents and upstarts alike clamor for increased engagement and assets from an ever-widening consumer market, the importance of using data to help make better strategic choices is paramount. Executives must take heed of trends and developing opportunities to capture more wallet share by delighting consumers from across the wealth spectrum.

METHODOLOGY – CONSUMER SURVEY

OUR WEALTHTECH: WEALTH ADVICE SERIES CONSUMER SURVEY COVERS THE FOLLOWING CONTENT AREAS:

- General attitudes toward saving, investing, and wealth management
- Presence of a financial plan, method of creation, and frequency of review
- Presence of a financial advisor, advisor type, advisor services, and advisor loyalty
- Primary financial institution, types of accounts/products, overall satisfaction, and likelihood to recommend
- Choice-based conjoint (CBC) for digital and traditional wealth management options
- Aided brand awareness and usage of digital and traditional advice channels
- Overall satisfaction, feature-specific satisfaction, and likelihood to recommend Digital and Traditional Wealth Advice firms
- Cryptocurrency awareness and ownership
- ESG investing familiarity, engagement, satisfaction, and intent to engage
- Demographics (e.g. age, income, assets, education)

COVERAGE EXTENDS TO A SPECIFIC SET OF COMPETITIVE DIGITAL AND TRADITIONAL WEALTH ADVICE BRANDS IN EACH MARKET

US DIGITAL ADVISORS:

Acorns	Ellevest	Qapital
Ally Invest Robo Portfolios	Fidelity Go	Schwab Intelligent Portfolios
AssetBuilder	FutureAdvisor by BlackRock	SigFig
Axos Invest Managed Portfolios	Interactive Advisors	SoFi Automated Investing
Bank of America Merrill Guided Investing	J.P. Morgan Automated Investing	SpeciFi Digital Advisor by Citizens Bank
Betterment	Marcus Invest by Goldman Sachs	Stash
Blooom	MoneyLion	US Bank Automated Investor
Citi Wealth Builder	Morgan Stanley Access Investing	Vanguard Digital Advisor
E*TRADE Core Portfolios	Optifi by Fifth Third Bank	Wealthfront
Earthfolio	Personal Capital	Wells Fargo Intuitive Investor

US TRADITIONAL ADVISORS:

Cetera Financial Group

Charles Schwab Wealth Management

Citi Wealth Advisor

Edward Jones

Fidelity Wealth Management

Goldman Sachs Wealth Management

J.P. Morgan Wealth Management

LPL Financial

Merrill Lynch Wealth Management

Morgan Stanley Wealth Management

Raymond James

RBC Wealth Management

Stifel Financial

T. Rowe Price ActivePlus Portfolios

US Bank Wealth Management

Vanguard Personal Advisor Services

Wells Fargo Advisors

CANADA DIGITAL ADVISORS:

Aviso VirtualWealth

BMO SmartFolio

CI Direct Investing (formerly WealthBar)

iA WealthAssist (Invisor)

Justwealth

ModernAdvisor

Moka (formerly Mylo)

Nest Wealth

Questwealth Portfolios

RBC InvestEase

Wealthsimple Invest

CANADA TRADITIONAL ADVISORS:

BMO Nesbitt Burns

Canaccord Genuity Wealth Management

CI Assante Wealth Management

CIBC Wood Gundy

Edward Jones

iA Private Wealth

Investors Group

Manulife Securities (Wealth Management)

National Bank Wealth Management

Nicola Wealth

Raymond James

RBC Dominion Securities

Richardson Wealth

Scotia Wealth

Sun Life Wealth Management

TD Wealth

Wellington-Altus Private Wealth

SAMPLE & STATISTICS

Participants in our online surveys are sampled from carefully managed online panels of Canadian and American respondents. Though online surveying precludes reaching respondents with no Internet access, official data for Canada and US indicate that Internet penetration is over 85% in both countries.

For the purposes of our WealthTech research, we screen respondents on three key criteria. First, respondents must be between the ages of 18 and 79 years old. Second, respondents must have either sole or shared responsibility for their household financial decisions. Third, respondents must not be competitively employed (e.g. they cannot work for a market research department or company).

To ensure a high level of final data quality for reporting, and before running any final tabulations or advanced analytics, we analyze response patterns to identify and remove respondents exhibiting poor response behaviors (e.g. speeding and straight-lining). To ensure good sample balance and overall representativeness, during data collection we set quotas for age group, gender, and geographic region. We then weight the final clean sample (n = 2,400 per country) to align with the respective population distributions within each country. The margin of error for percentages on a probability sample of 2,000 is +/- 2.2%. The 2021 data also includes a boost sample to ensure a readable base (n = 400) of consumers within each country who have $500K or more in investable assets.

SUPPLEMENTARY MATERIAL

WealthTech Research & Advisory Service: Wealth Advice Series is published by ParameterInsights.

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