From Commodity to being Toasted

Don Draper: "The Federal Trade Commission and Reader's Digest have done you a favor…what Lee Jr. said is right, you can't make those claims and neither can your competitors."
Lee Garner Senior: "So, we got a lot of people not saying anything that sells cigarettes?"
Don Draper: Not exactly, this is the greatest advertising opportunity since the invention of cereal. We have six identical companies making six identical products. We can say anything we want.
Lee Garner Junior: But everyone else's tobacco is toasted
Don Draper: No, everybody else's tobacco is poisonous. Lucky Strike's is toasted."

If you replace the word cigarette with active management, this video might hit too close to home. From *Barron's* to the *Financial Times*, we're seeing a lot of volley back and forth on whether active management is dead or not. Given that we all have jobs, we can assume it's alive. However, the challenge before us as marketers is not selling active management anymore. It's distinguishing why your firm's version approach to active management matters, works, and is better than everyone else's.

Yes Virginia, you are probably a commodity.

Whether your portfolio managers believe it or not, Morningstar and other rating companies have helped commoditize funds into particular styles and categories. Performance after 2008 didn't help. Oh, and how many of us lament style drift? I've seen fund companies win Lipper awards for categories they would never consider themselves in. "Long-only quality managers" are a dime a dozen to reporters.

More and more firms are trying to tackle this problem through increased content marketing. At first blush, it seems simple: write, edit, distribute. Creating one white paper/blog post/missive/commentary is easy. Now consider that most of your competitors are thinking the same thing and you've got to keep this going. Once on this treadmill, you've got to keep it up.

Be opinionated.

If you're merely recapping what the market did over a given time period, you're not offering much to your reader. Chances are they, a) already know what the S&P did the last month, b) read about why it moved a given direction in *The Wall Street Journal*, and c) will quit reading your post if they see nothing new.

This is your chance to shape the conversation. If no one else is saying "it's toasted," then your firm has free reign. Additionally, you can bring in your public relations consultant to push these ideas to the press. This is how you write the news instead of recapping it in a monthly letter.

On that point, I submit a tip from Bret Stephens, *The New York Times* columnist, who recently offered op-ed tips for aspiring writers:

> "An op-ed should never be written in the style of a newspaper column. A columnist is a generalist, often with an idiosyncratic style, who *performs* for his readers. An op-ed contributor is a specialist who seeks only to inform them."

Peak content saturation?

Many pundits, myself included, worry about peak content saturation. Like the knight in Monty Python's Holy Grail, content marketing isn't quite dead yet. I'd ague it's becoming more nuanced, and that's where voice matters, but not in the way you would think. Historically, we would break down the difference by channels such as retail, intermediary, and institutional. The gap between channels has narrowed to industry and non-industry, essentially fusing institutional and intermediary closer together. Additionally, retail is more informed today than they were 20 years ago. Today, the breakdown is email, Twitter, LinkedIn, TV, radio.

Your job in content marketing is not to recap the news, but rather offer something insightful or prophetic (here I would encourage prophetic about the world, but not securities). Most readers do not expect your firm to know what Mr. Market will do on January 17th, 2018, but they do expect you to have a robust and interesting outlook, even if you're a bottom-up stock-picking manager.

Your reader is smart, and content for the sake of content quickly will yield fewer opened emails and a loss of interest from prospective clients—or worse a lack of interest from current clients.

Write to say something, not to fit an audience.

We can all look at the latest research from Fuse, Cerulli, or Chestnut. Most of it is very insightful, but if we write specifically for the demographics without developing a voice, we shouldn't spend our time writing.

The audience for advisors is changing. Millennials are now between the ages of 25-35. That means older millennials are well entrenched in their career. Despite what the Boomers say, they're not lazy and entitled. They do, however, have a different voice.

Here's an example from a Canadian Robo-Advisor making a big ad-push in the U.S. While the audience is more retail, you clearly see the language is more casual and permissive.

Another example from the retail side comes from Sarah Kaufman, director of brand and content at Betterment. Speaking to *Bloomberg* in May she said:

> "We heard over and over again: 'Start talking to us like a person.' It's really about how we are telling this story, too, not just the design."

How do we translate this type of language in a more staid industry like asset management? How do we remove the jargon? Slowly. Use song titles or lyrics. Perhaps you should throw in a Game of Thrones reference. There's a way to keep things business casual, but still business oriented in your writing.

Don't over-process the process. Guts matters, but double check with marketing and PR.

Next Steps

This is the part where I wrap up and tell you how to proceed. That's not going to happen. The fun challenge of a hyper-targeted world is that there are very few axioms that work for all firms. The pros: ample need for creativity and experimentation. The cons: what worked last year might not work next year. Marketing has always been an evolving field. The financial industry is just now catching up to it, and that means we need to mind how we speak on different mediums.