

# HOW WEALTH MANAGERS CAN WIN CLIENTS ONLINE

Analysis of the Top20-Private-Banking-Websites: Benchmarking, Best Practice, Recommendations

DECEMBER 2009 **MYPRIVATEBANKING REPORT**

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# EXECUTIVE SUMMARY

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The Private Banking websites of UBS, Deutsche Bank and Credit Suisse come out as winners in the benchmarking of the online presence of the world's top 20 Wealth Managers. In the study, UBS ranked first, with a total score of 82 out of possible 100 points. UBS offers a wealth management site with a clear structure and excellent navigation. The UBS website scored well in particular due to a wide range of interactive tools which clients can use online to analyze investment needs and find the right products.

Deutsche Bank and Credit Suisse were tied at the second place, with 81 points each. While Credit Suisse offers superior navigation and also a few interactive functions, Deutsche Bank scored especially due to its customer friendly content. No other provider publishes online its wealth management fees in such details as Deutsche Bank.

About one half of the Wealth Managers analyzed mastered the basic requirements for a website, but there are critical shortcomings nevertheless: Three out of four banks have no clear marketing message and more than 60% of the providers lack customer oriented content. Furthermore, only a fourth of the banks offered interactive functions on their Internet sites. The Internet is increasingly becoming the preferred medium of information for affluent individuals. However, banks are missing out on the opportunity to showcase their uniqueness in order to differentiate themselves from competitors - who are in fact just one click away - through their Private Banking websites. The content and marketing messages are easily replaceable and the interaction with the potential client leaves much to be desired.

The analysis and benchmarking of the Private Banking websites came to the following results:

- **Navigation and Structure often inadequate:** Only 40% of the providers were able to convince with the usability of their websites. The search function caused major problems: 55% of the banks were unable to score even half of the possible points. Furthermore, only 12 among 20 banks had a complete Privacy Policy.
- **Positioning and content too superficial:** Only one fourth of the evaluated banks were successful in communicating a unique selling proposition to potential clients. The illustration of offered services and the investment process was generally good, but information about costs and portfolio returns were lacking for most of the candidates. The basic details of the amount of assets under management and the minimum investment sum were missing on half of the Private Banking websites.
- **Basic Interactivity works well:** Quick and easy contact options are the strong points of most Private Banking websites. But there were critical weaknesses regarding secure data transfer as the majority of Wealth Managers has no encrypted messaging functionality on their website. In addition, only one fourth of the providers were able to offer Interactive Tools to support and engage potential clients on their website.

In the future, social online networks such as Facebook or LinkedIn will play an increasingly important role in winning over clients, because more and more affluent persons are getting hooked to these interactive Internet platforms. The Wealth Managers not only needs to adapt the website to keep pace with these trends, but also re-align the overall marketing and sales strategy.

# OVERALL RANKING

Rank	Name	Total (max. 100 P.)	Navigation (max. 30 P.)	Content (max. 40 P.)	Interactivity (max. 30 P.)
1	UBS	82	29	27	26
2	Deutsche Bank	81	26	30	25
	Credit Suisse	81	29	26	26
4	Merrill Lynch	80	28	24	28
5	Pictet	77	24	26	27
6	Morgan Stanley	70	26	22	22
	HSBC	70	26	23	21
	Société Générale	70	25	21	24
9	Credit Agricole	69	16	34	19
10	Barclays	68	19	24	25
Ø	Average	68	22	23	23
	Julius Bär	68	18	24	26
12	Sal. Oppenheim	66	22	18	26
	Rothschild	66	20	20	26
14	ABN AMRO	61	20	21	20
	BNP Paribas	61	17	22	22
16	RBS Coutts	60	19	18	23
	Santander	60	20	21	19
18	Lombard Odier	58	15	20	23
19	Goldman Sachs	57	22	16	19
20	Citibank	53	23	18	12

# METHODOLOGY

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## 1.1 SELECTION OF WEBSITES

This study analyzes the Private Banking websites of 20 leading global Private Banks/Wealth Managers. For integrated banking groups with multiple websites, those websites which offered explicit information for affluent private clients were chosen. Websites that can be used only by existing Private Banking clients and which require a login were not evaluated. The 20 providers that were analyzed are the biggest wealth managers for private clients worldwide, ranked by total assets under management. For specific case studies the Internet presence of smaller Wealth Managers and banks were taken in account.

The starting point of the analysis for the selected banks was the website intended for potential Private Banking clients in the domestic market. The domestic market here stands for the country in which the bank has its corporate head quarters. With respect to the online presence only websites were analyzed which address potential Wealth Management clients in the domestic market. This could be the website of the banking group or a website of Wealth Management subsidiary. In cases where domestic market is multilingual, such as Switzerland, the website was considered in the language used by the majority of the population.

All the providers that were benchmarked have a significant international presence and the majority of them also had additional websites for potential Private Banking customers outside the domestic market. These international websites were also included in the analysis, since these international websites can also be visited by the customers of a domestic market for getting information. In many cases the international website is of more significance to a Wealth Manager than the domestic Internet presence because of the importance of international clients. With regard to the evaluation, points have been awarded for certain criteria if these are fulfilled in at least one of the various websites under evaluation. Specific localized versions of websites were not included in the analysis.

## 1.2 USE CASES AS GUIDELINE

Prior to the analysis of the website, MyPrivateBanking Research conducted 25 qualitative, in-depth interviews with Private Banking clients. Based on these interviews five core use cases were derived.

Here, a use case is a typical scenario of how and why certain user groups use the website. We have derived our detailed evaluation criteria and their weightage directly from these use cases:

Use Case	User Group	Objective
<b>Paving the way for a client relationship</b>	Potential new clients	Creating an overview of the brand, services, products and trustworthiness of a bank
<b>Search for information on stakeholders</b>	General public, journalists, job applicants, suppliers	Creating an overview of the bank
<b>Establishing contact with potential clients or stakeholders</b>	Potential new clients, general public, journalists, applicants, suppliers	Quick identification of the correct contact partner and the possibility of contacting this partner directly through telephone or by e-mail
<b>Contact from existing clients</b>	Existing clients	Contact data of specific branches where the information that has been saved is not available readily (e.g. while traveling)
<b>Finding out the route map</b>	All possible client groups and stakeholders who wish to visit in person	Finding the visiting address and route description, as far as possible with map

The use case "Search for information by existing clients" was not considered, because a log-in is necessary for accessing the client accounts and information. We have evaluated only the freely accessible part of the web presence.

## 1.3 EVALUATION PROCEDURE

Every website was analyzed by two analysts, independent of each other and the analysis and evaluation was repeated after an interval of six weeks. This was done to minimize the probability of wrong evaluations due to a purely subjective point of view and accidental website problems at a certain point in time. Given the quantity of information that was to be analyzed, the possibility of not finding all the information in individual cases cannot be ruled out.

The evaluation was done on the basis of 47 different criteria that were divided into three categories. Care was taken to keep the definition and allocation of points as free as possible

from all subjective influences, thus ensuring a high level of objectivity in the benchmarking process.

Furthermore, independent test persons were asked to visit the websites of the banks and get certain information from there. The behavior of these test persons was observed, recorded and included in the analyses.

#### 1.4 DETERMINING THE CRITERIA

In this study, the main evaluation criterion for the websites viewed is the extent to which they fulfill the use cases described above, from the point of view of various users. The use case of an affluent private customer visiting the website as a potential new customer was given top priority. We measured the usability in terms of the three dimensions "Navigation and Structure", "Content" and "Interactivity". The definition and weightage assigned to the criteria was done, as described above, based on qualitative in-depth interviews with Private Banking clients. The pure graphic design of a website was evaluated only to the extent that criteria that could be made objective could be defined, such as adequate readability of the fonts and colors or a design structure that facilitates easy navigation. The same applies to technical evaluations. These are taken into consideration only if they affect the customer directly, such as in the areas of security and properly set up links.

##### **Navigation and Structure (max. 30 points)**

The evaluation criterion Navigation and Structure consists of the elements and functions of a website that enables the user to access or find the desired content quickly. Further, the presence and the completeness of a Privacy Policy were included in the evaluation, since users should be given an opportunity to view these before performing further activities on the website. In detail, these criteria are as follows:

- **Link to the Private Banking Site on the Homepage (max. 2 points):** Potential Private Banking clients should be able to find right on the homepage of the provider a prominently placed link to the offers for affluent private clients. 2 points were awarded if this link was present on the homepage.
- **User-friendly Navigation (max. 9 points):** Starting from the provider's homepage, the user should be able to access with a maximum of 3 clicks all the relevant information given by the provider (3 points), the services (3 points) and the contact options (3 points).
- **Accurate Search Function (max. 10 points):** A significant share of visitors to a website uses the Search Function and not the navigation bar to navigate a website. Hence, it is very important for them to be able to use the Search Function and to find the desired information quickly and with ease. 1 point was awarded for placing the search field prominently on the website and a maximum of 9 points for finding the desired information. The quality of the search results was measured with the help of the information supplied for three selected search requests. These three search terms were "Head Office", "Assets under Management" and "Opening an Account" in the language of the domestic market. If adequate information was listed in the first three search results, 3 points were given for each search term; and 2 points were awarded if this information was found in places four to ten, and 1 point for finding this information in places eleven to twenty.

- **Multilingualism (max. 4 points):** A large percentage of Private Banking clients has a global approach to investments and are also interested in providers with head offices in countries other than their home market. Basic requirement for the bank is therefore that it should offer complete information in other languages besides in the language of the domestic market. 1 point was given for a language selection option that was easy to locate on the homepage; for every language in addition to the language of the domestic market 1 point was awarded in each case (max. 2 points) and if the sites were accessible or "mirrored" completely in other languages, 1 point was given for each language (max. 2 points).
- **Privacy Policy (max. 4 points):** Before continuing to use the website visitors should be able to read through the guidelines based on which data is collected and used. The homepage should have a link to the Privacy Policy (1 point). The policy should be complete (2 points) and formulated in such a way that users can understand it easily (1 point). The latter means that the Privacy Policy of a provider should contain information about the collection, use, processing and security of the data and the placement of cookies.

#### **Content (max. 40 points)**

The evaluation criterion covers the quantity and quality of the content that could be of interest to a potential Private Banking client. These contents should include both the basic information about the company and the services it offers, as well as the hard facts about the amount of assets under management, the fees and costs and the portfolio returns achieved. Since the quality of the content of a website is decisive for the next step of a potential customer, namely, the move to make contact, 40% of the total points were allocated to this area. The criteria in detail:

- **Corporate Information and Positioning (max. 7 points):** This is the most important aspect of the content because this is where the brand and the differentiating characteristics of the bank are communicated. It means representing the key values of the company (1 point), the clear communication of at least one essential differentiating USP (1 point) and also reinforcing and explaining this USP at various other places in the website (1 point). This coherent communication of the values and USPs of a Wealth Manager is what we mean by a clear and comprehensive Internet marketing message. Potential customers are also interested in specific factual information about the bank. The main aspects here are information about the company's history (1 point) and the names and biographies of the executive managers (2 points). A further point was given if the basic information such as year of establishment, number of employees, assets under management and international presence are summarized together on a "fact sheet" that can be located easily.
- **Assets under Management (max. 2 points):** The amount of the total Assets under Management is a critical yardstick for customers in assessing the size of the provider. 1 point was awarded for precise details of this amount, and an additional point was awarded for the up-to-date nature of the information (last reporting year).
- **Minimum Investment Amount (max. 2 points):** From the Minimum Investment Amount required for certain Private Banking services and mandates potential customers can infer the extent to which they fit into the desired client profile of the bank, given their current

assets. If the Minimum Investment Amount was specified for at least one mandate, 2 points were awarded already.

- **Details of Portfolio Performance and Return (max. 7 points):** Clients use the services of Private Banking expecting to earn suitable return on their assets, in accordance with their risk profile. Information about the return achieved by a provider for his clients is therefore one of the most important detailed information expected by a customer. Here, the manner in which this information is prepared and presented is left to the bank; 2 points were given for explaining how a provider measured the performance of a portfolio; 3 points for providing quantitative data; 3 more points for specifying this data for at least the last three 3 years; and for giving details of the current composition of the standard portfolios, 1 point.
- **Details of the Cost and Fees (max. 7 points):** The Costs associated with asset management is vital information for the customer, for measuring his real return and for comparing providers. The providers could publish this information with relative ease online: 2 points were given for at least a qualitative explanation of the factors and structure of the fees; 2 more points for precise details (1 point for specifying the ranges only) and for indicating the fees per service, 1 point in each case (max. 3 points).
- **Details of the Number of Clients per Advisor (1 point):** 1 point was awarded for explicitly mentioning the average Number of Clients per Private Banking Advisor. This information enables the potential customer to draw conclusions about the quality of service.
- **Presentation of Services (max. 6 points):** Private Banking includes a large number of services ranging from the offer of various discretionary mandates and advisory services to additional services such as tax planning, advice on trust funds, inheritance planning and many others. The depth of the information provided for these services ranges from mere enumerations (2 points), brief descriptions (4 points) to detailed explanations for each service (6 points).
- **Investment Process (max. 6 points):** In particular a potential new client will be very much interested in finding out how the provider determines the risk profile and investment needs of a client, and develops from these an investment proposal that is in tune with his needs, and then ensures that this is adapted continuously to changes in the client profile and in the markets. The information that is provided about the advisory process, the investment proposal and the controlling process earned 2 points each.
- **Publications and Background Information (max. 2 points):** Different affluent private client have different levels of knowledge with regard to Private Banking in general and investment related topics in particular. 2 points were awarded for access to further in-depth information such as a glossary, investment briefs, strategy outlooks and so on.

#### **Interactivity (max. 30 points)**

The best navigation and the most exhaustive content are of little use to the client if the latter is unable to identify easily and online the branch or contact person that would be relevant for him. In the next step, the user should be provided the option of contacting these contact persons through a wide variety of means, in a straightforward and secure manner. This evaluation area was assessed based on the following criteria:

- **Navigation to Contact Information (max. 6 points):** Starting from the homepage, the potential customer should be able to access with a maximum of 2 clicks the contact data of the company headquarters (2 points), the regional branches (2 points) and persons responsible for the individual services (2 points).
- **Contacts Offered (maximum of 11 points):** There are 4 points for complete contact data of the head quarters. 1 point will be deducted in each case if the address, telephone number, fax number or mail/contact form are missing. If the regional branches list at least one means of contact, 4 more points were awarded. 3 points were given if a contact partner was specified along with name and personal telephone number and/or e-mail address.
- **Means of Contact (max. 10 points):** The possibilities for establishing contact should be varied, so that the users can select his preferred means of communication. Points were given if at least one local branch offered the complete address (2 points), one direct means of establishing online contact (e-mail and/or contact form) (3 points) and a telephone number (3 points) and/or fax number (1 point). 1 point was awarded if a map or route description was integrated with the branch description.
- **Secure Contact Form (1 point):** Many providers allow website users to establish virtual contact through online contact forms only, and do not specify any e-mail addresses. The details provided by the user will be encrypted and thus protected against misuse only if the contact forms use the secure hypertext transfer protocol https (this can be recognized by the "https://" in the browser when the contact form is opened).
- **Interactive Tools (2 points):** Users are getting increasingly used to communicating directly through websites. If the bank offers options for interactive online communication (chats, forums, etc.) or other Interactive Tools, 2 points were given. By Interactive Tools we mean ways in which customers can conduct, for instance, self-analysis, e.g. for determining their own risk tolerance or getting to know about the possible products and services through an online questionnaire. There are few limits if any to the possibilities here.