

U.S. Institutional Marketing and Sales Organizations 2023

The Growing Importance of Digital Marketing Efforts

OVERVIEW & METHODOLOGY

This report provides a broad-based overview of the trends and challenges impacting institutional distribution teams. Trends in asset allocation, request for proposal (RFP) volumes, the use of consultants, sales cycles, and marketing strategies are all covered in this report. Trends and challenges are looked at primarily from three different perspectives: those of institutional distribution, consultant relations, and RFP teams. The report uncovers how these teams remain successful in a challenging market environment, the ways in which they organize and target clients, and the skills and expertise they want to recruit and retain. Additionally, the research looks at the digital marketing strategies of the top institutional asset managers in the U.S. and how they are expected to evolve. The report also addresses how most of the challenges presented by the COVID-19 pandemic have largely been mitigated by 2023.

USE THIS REPORT TO

- Understand how digital marketing strategies have largely evolved to provide clients and prospects with a deeper understanding of an asset manager's offerings and expertise
- Gain insight into why the complexity of requests to RFP teams is increasing amid challenges surrounding environmental, social, and governance (ESG) and the use of newer technologies
- Evaluate how asset managers are responding to the current market environment and the methods they are using to communicate performance

QUESTIONS ANSWERED

- What asset allocation trends should we expect over the next two years?
- What does an effective marketing program for institutional asset management include?
- What are the expectations for staffing changes for various roles within the distribution organization?
- What are some of the top challenges faced by consultant relations professionals in cultivating meaningful relationships with targeted consultants?
- How is technology used by asset owners impacting the RFP process?

PRODUCT DETAILS

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Interactive Report Dashboards

Interact and explore select report data with Cerulli's visualization tool.

Compensation Comparison: Analyze and compare a detailed breakdown of compensation structures and the factors affecting compensation in 2019, 2021, and 2023 by various roles, including client service, consultant relations, direct sales, and relationship managers.

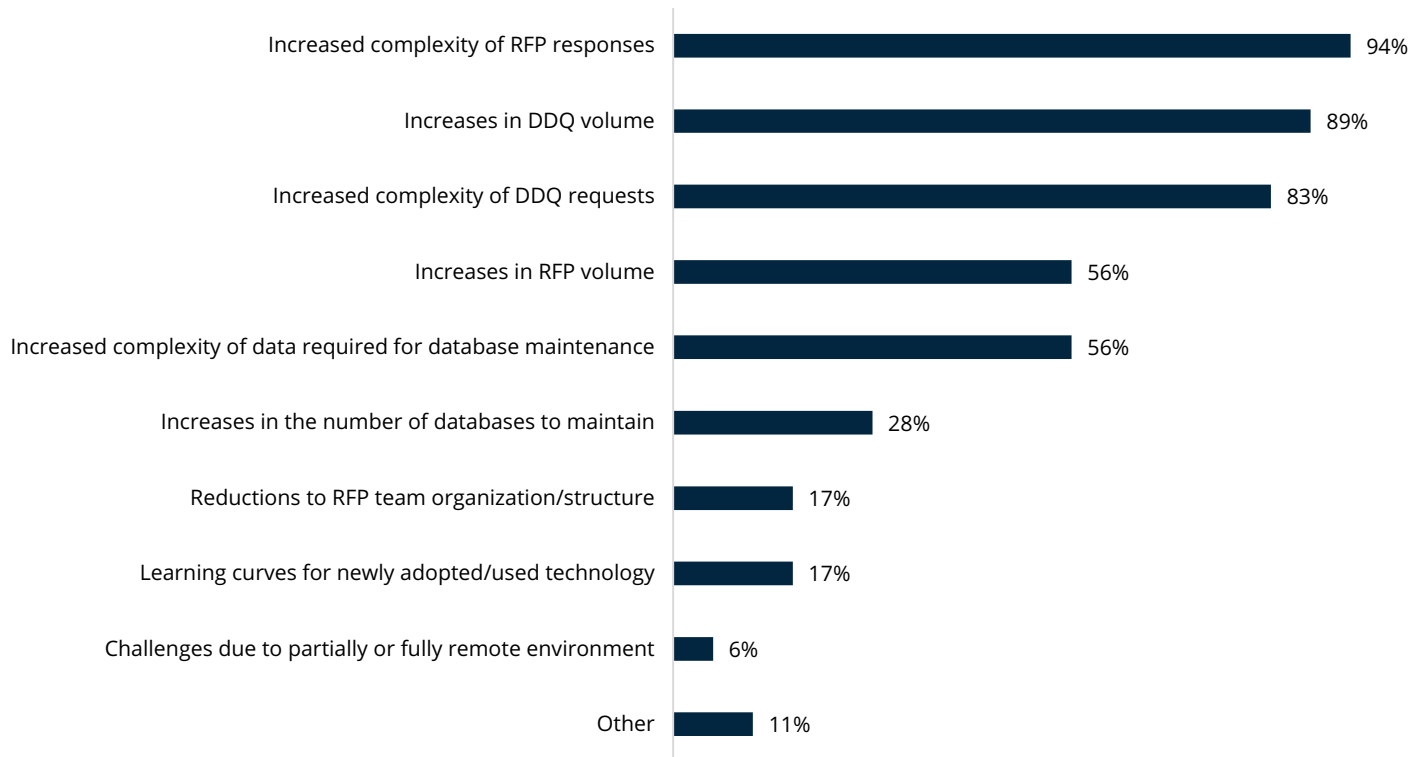
Institutional Sales and Services Headcounts: Access a percentage breakdown and median headcount of various roles across the industry and anticipated changes in headcount over the next 24 months.

Anticipated Institutional Flows: Analyze expected trends (in one year and in three years) in institutional flows across state/local DB plans, nonprofits, DC plans, and more.

Exhibit 7.06

Factors Impacting Meeting RFP, DDQ, and RFI Deadlines, 2023

Source: Cerulli Associates | Analyst Note: Other responses include “portals” and “inexperienced/new RFP team members.”



- The increase in complexity of RFP responses (94%), DDQ volume (89%), and complexity of DDQ requests (83%) are among the biggest challenges for meeting completion goals and deadlines. Investment consultants and asset owners are asking more questions in an effort to identify investment solutions that are different from a pack of similar-sounding investments. For any asset class, there are at least dozens if not hundreds of similar seeming products available when looking in any major database. Instead of asking for simple data points and routine information, RFP teams are confronted with questions that are unique to one asset owner or investment consultant. This is often in the form of asking for examples of how an asset manager might hypothetically manage a particular scenario.
- Questions can be related to the investment philosophy of the portfolio, but sometimes aspects of operations, management, and other enterprise-wide policies are being scrutinized. This is especially true for questions regarding ESG and DEI, where there are few clear standards on how to report data. In some cases, the information being requested is not possible to provide because data is not collected. These types of challenges regularly slow down the completion process as multiple subject matter experts and key decision-makers may have to weigh in on a response before sending it.

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