Digital Marketing for B2B Investment Management

I've been working as a digital marketer in the B2B investment management industry for over a decade, and don't think marketing teams have been doing a particularly great job.

While this lacklustre performance is at least partly due to some wider issues in the modern office – which mostly boil down to an inability to focus due to smartphones, overflowing inboxes, and back-to-back meetings – there is also a less obvious reason: digital marketing teams haven't adapted their approach (when they have one) to the peculiarities of the B2B investment management industry, and have therefore been repeatedly trying to fit the proverbial square peg into a round hole.

This guide aims to help digital marketing teams serve their firms more effectively by demonstrating how a popular marketing methodology, **inbound marketing**, can be adapted to properly fit the industry.

What is inbound marketing?

Inbound marketing is a methodology used to build more authentic and durable relationships with a firm's audience through a patient and subtle approach, rather than simply interrupting them with generic advertising or unsolicited emails. This type of approach seems especially well-suited to the world of investing, in which a long-term and patient attitude is typically also required in order to achieve success.

From the perspective of the business implementing it, inbound marketing consists of three stages: **attract**, **engage**, and **delight**. The first aims to attract members of the firm's target audience, the second to convert them into customers, and the third to provide exceptional postsale and ongoing customer service. The overall goal for marketing is to deliver the right content, to the right people, at the right time.

As an example, to try inbound marketing, a business that sells software to other businesses could attempt the following broad steps:

1. **Attract**: publish valuable content to attract members of the firm's target audience from search engines and social media.

2. **Engage**: allow website visitors to submit their contact details to subscribe to the firm's blog, and send emails to subscribers about the topics they express an interest in.

3. **Delight**: send customers a welcome email upon purchase, a series of helpful tips about the product, and encourage them to upgrade and/or purchase add-ons where appropriate.

Importantly, to implement inbound marketing, the marketing team must be able to identify the current stage of each contact – attract, engage, or delight – so their experience can be personalised accordingly.

For businesses operating outside the investment management industry – such as a software firm – this should be relatively simple: a data point can be added to each record in the firm's **marketing database** (in which details of all mailable contacts are stored) to note if a contact, or the firm they work for, owns the product. It could be set to a Boolean value ("yes/no") or describe which specific version of the product is owned (if basic and premium versions are available, for example). Once created, it can then be set up to update automatically upon purchase, or even updated manually if automation isn't possible.

Once the data point has been set up, contacts in the firm's marketing database can then be segmented and marketed to accordingly: leads who haven't yet become customers can continue to be emailed blogs and case studies of interest, recent purchasers can be sent an automatic welcome email, those who have purchased the basic product can be enticed to upgrade to the premium version, and so on. Lists of relevant contacts can be created for future marketing campaigns by filtering the marketing database by this new data point.

Why should inbound marketing be adapted for investment managers?

For investment managers that sell their products directly to retail investors (D2C) – purchased through the firm's website – adding a data point to identify if a contact is invested in any of the firm's products may be feasible, albeit with additional complexity: as investment managers tend to offer multiple products (versus, say, a single software offering) a separate data point will be required for each product offered.

And due to the fact that investments can be bought and sold frequently by investors (unlike software), some form of automation would probably also be needed to keep each data point up-to-date.

Lack of transaction and holdings data

The investment products of **business-to-business (B2B)** investment managers aren't bought and sold through the firm's website. Instead, salespeople develop relationships with – and try to win business from – investment professionals at other organisations (such as financial advisors, fund selectors, or research analysts) who are able to allocate money, either directly or indirectly, into the firm's products.

Any trades in and out of a B2B investment manager's products are handled by the firm's salespeople, or conducted entirely through third-party investment platforms, so it's highly unlikely that transaction and holdings data will be available to the marketing team.

This lack of available data means that the aforementioned data points can't be used by the marketing team to identify if a contact is invested in the firm’s products (i.e., those who would sit in the delight stage). Put simply, the marketing team don’t know who their “customers” are.

Accounting for gatekeepers

However, even if the marketing team *could* identify contacts who held investments with their firm, there’s another complication: in addition to working with individuals who invest for themselves and on behalf of others, B2B investment managers also work with those who select and monitor investment products solely for providing recommendations to others – without making an investment themselves.

Investment managers publish the performance of their products in a format deliberately standardised for comparison. By analysing this data alongside other pertinent information – such as a manager’s investment philosophy and process, which is also publicly available – individuals known as **gatekeepers** (an industry term) are able to recommend investment products. Example of gatekeepers include:

- **Fund selectors:** evaluate and select funds that their firm’s client-facing advisors can choose from to invest client money, usually at a wealth manager or private bank.
- **Manager research analysts:** perform research on investment managers and compile lists of investment strategies that can be recommended to their firm’s clients, such as an analyst at an investment consultancy selecting strategies for field consultants to recommend to pension fund clients.

As they can make an investment product available to wider audiences – and ripe for potentially large investments in the future – gatekeepers are a priority for salespeople at B2B investment managers.

Therefore, due to their importance, the marketing team needs to be aware that gatekeepers may be monitoring products as if they are an existing investor – despite not holding an investment themselves – and understand that if certain marketing communications were limited to only those who held an investment, a key portion of a firm's target audience could be excluded.

Other characteristics of investments

However, we now arrive at another complication: even if the contacts in an investment manager's marketing database *could* be segmented based on ownership of their products, *and* gatekeepers could be accounted for, I still don't think there's any reason to. I'll explain why.

Firstly, from a customer's point of view, all an investor really receives is exposure to the change in value of their investment, and not much else: there's no tangible product. Apart from an individual report of their account balance – which would only be sent if they held investments directly with an investment manager – there's nothing that an investor is given exclusive access to versus anyone else.

And secondly, the vast majority of product-related content published by investment managers – factsheets, brochures, commentaries, webinars, and so on – can be appropriate for any member of the firm's audience with an interest, regardless of whether they hold an investment in the related product (a website visitor who downloads a mutual fund factsheet could be researching the fund for the first time, monitoring an existing investment, or a gatekeeper performing either of those tasks).

Even non-product related content – such as commentary on interest rates, inflation, and so on – can be appropriate for any member of the firm's audience too, invested or not, as these external factors can influence investment values (a prediction that interest rates will fall could be used to influence new investments into a bond mutual fund, as well as reassure existing investors in the fund to continue to hold, or even increase, their investment).

These two reasons, for me at least, highlight why marketing teams at investment managers don't need to segment contacts by their invested status, even if they could: it makes no difference to the content they would be sent. For businesses outside investment management, there's usually a much clearer distinction between prospects and customers.

Adapting the inbound marketing approach

If the marketing team can't identify who their invested clients are – the contacts who would sit in the delight stage – an obvious change to the team's approach is to remove the delight stage entirely. Only two stages from the original approach now remain: **attract** and **engage**.

New audiences will be attracted as usual – by publishing content the firm's target audience will find valuable, ensuring it is discoverable on search engines, and distributing it on social media.

When engaging with the contacts who have become part of the firm's marketing database, however, some changes will need to be made to account for the various complexities that have been highlighted.

Segmenting the marketing database

The first change applies to how contacts are segmented. As a contact's status as an investor in the firm's products won't be stored on their record, they won't be segmented on this status. Instead, contacts will be segmented primarily on their interests – which they explicitly express via **website subscriptions** – for marketing purposes.

Website visitors will subscribe to any areas of interest among the options offered by the investment manager – such as blog topics, investment strategies, products, and so on – by submitting a website form (which includes their contact details). From this point, the contact will be added to the marketing database, segmented accordingly, and sent any content that aligns with their individual preferences. Contacts will be able to change their preferences, or unsubscribe entirely, at any time.

Segmenting the firm's audience based on this **explicit data** about their interests – which can only be provided by the contacts themselves – and limiting any communications to the preferences they set is a key part of the inbound marketing approach, and also aligns perfectly with the principles of **data protection regulations** (such as GDPR).

Using implicit data about digital activity

The second change applies to how **implicit data** about a contact's digital activity – collected by the marketing automation system without the contact's input, but only if they give consent – is used. When a website visitor subscribes, the marketing automation system sets a cookie on their browser to track any future digital activity – such as return visits to the firm's website, engagement with emails, document downloads, and so on – which is then logged on their contact record.

As you can imagine, the ability to observe the behaviour of members of the firm's audience, at an *individual level*, is incredibly powerful: it means marketing activity can to be tailored to each tracked contact's individual behaviour, if desired. For example, any tracked contacts who download a fund-related document could be segmented by their apparent interest in the fund, and sent further content based on this interest (such as an invite to an upcoming fund webinar).

However, you may already have spotted the problem here: sending content to contacts who haven't explicitly expressed an interest in receiving it is not appropriate for an inbound marketing approach (in the previous example, the webinar invite should only be sent to contacts who have subscribed to receive communications about the fund). Therefore, implicit data won't be used to influence marketing activity.

Instead, implicit data about tracked contact's digital activity will be reported to their assigned salesperson via **alerts**, sent by the marketing automation system. These alerts can be sent in real-time or as some kind of periodic summary (e.g., a daily notification of a salesperson's assigned contacts with digital activity in the previous 24 hours), giving salespeople timely insight into what their contacts are engaging with and allowing them to nurture relationships more effectively by reaching out at the right time – although they must use subtlety when doing so.

An additional reason why implicit data won't be used to influence marketing activity is because only salespeople have the full context behind any observed digital activity of tracked contacts. Salespeople spend a lot of time communicating directly with their assigned contacts, often offline – via meetings, dinners, phone calls, and so on – and will be aware of each contact's specific circumstances, including whether they had recently communicated directly. A salesperson will know if any reported digital activity was caused by their own efforts – which they can consider as "nice to know" information – but in the cases where it isn't, an opportunity arises to reach out for an introduction or re-ignite an old relationship they may have neglected. As the marketing team won't be aware of these direct communications, they lack the full picture.

Adapting the approach for specific firms

Once the digital marketing infrastructure has been set up – with new and existing members of the firm's target audience visiting the website, subscribing, entering the marketing database, and tracked activity reported to salespeople – you might have the impression that the digital marketing team's work is pretty much done.

However, unless your firm has an exceptional investment process that has delivered amazing performance over all time periods, a well-known brand, and a robot that posts new content, then this won't be the case.

As well as sourcing and posting content, tweaking the approach as necessary, and delivering ad-hoc projects – such as new product launches or new types of content – the digital marketing team will likely face challenges that are related to the individual characteristics of their firm:

1. Not enough visitors to the website
2. Not enough people subscribing
3. Not enough digital activity