



Wealth management trends for 2022 to keep an eye on

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A holistic experience (including expert guidance and 24/7 support) will be a baseline requirement for consumers in the coming years. That means firms and wealth managers will need to demonstrate wholehearted commitment, conducting meaningful conversations with clients while providing authentic financial planning.

This approach could prove challenging for time-poor professionals. Therefore, wealth managers will need to work smarter, particularly as consumers want support wherever they happen to be (expertise on tap, round-the-clock), demanding an engaging digital experience, with a fluid platform that creates substantial engagements.



Trend 1:

Powerful relationships with CX and EX

Only **9%**

of financial services leaders described their digital customer experience as “excellent”

Source: **BAI Banking 2021**

>80%

of millennial heirs will be looking for a new financial manager after inheritance, from 2022 onward

Source: **CapGemini 2021**

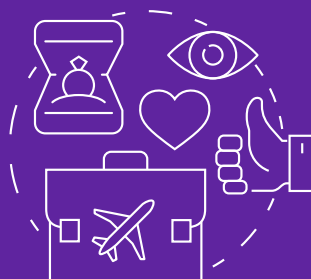
Companies need to expand their customer and experience strategies to appeal to the growing number of individuals under 55 years of age, by:

- Recognizing that prospects value experiences
- Understanding journeys and engagement hinge points
- Adopting an omnichannel approach
- Modernizing existing technology stacks
- Connecting disparate data sources
- Prioritizing data security

Gen X



Millennials



Gen Z



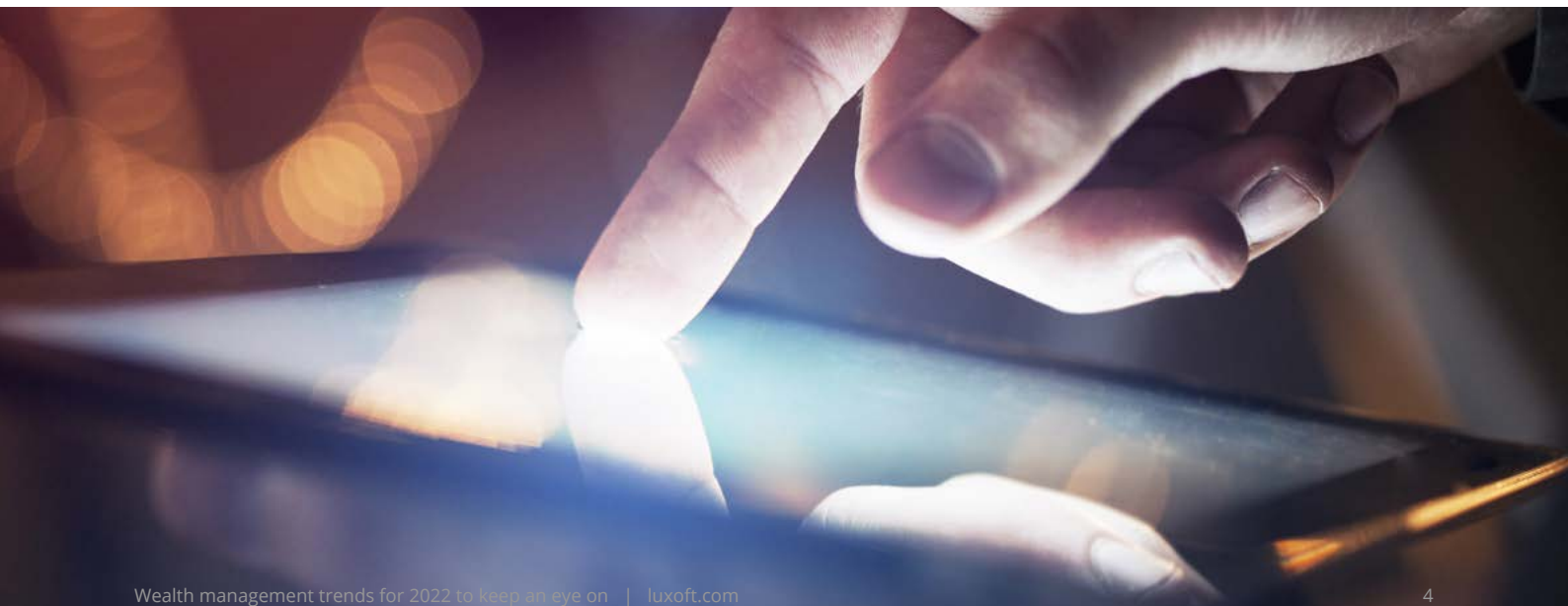
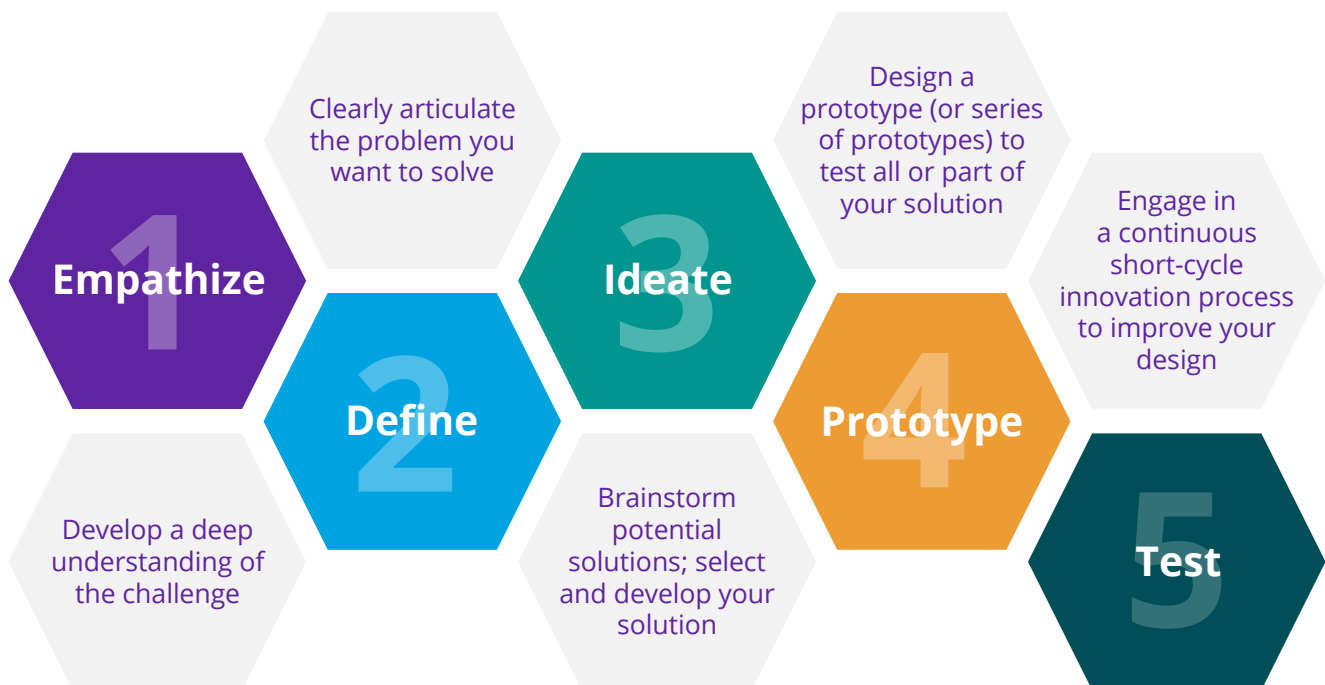
Trend 2:

Prioritized human-centered design

Technology innovations that are altering clients' lifestyles

The always-on mentality and proliferation of mobile devices and wearables have changed the way clients want to access information. Human-centered design places users at the heart of things by investigating ecosystems, embracing inclusive design and digital upskilling, and keeping things personal.

The five phases of design thinking



Trend 3: Increased mobile app capabilities

49%

of U.S. adults say they “should be able to accomplish any financial task through a mobile device”

Source: **Galileo Research Executive Summary**

Apply user experience (UX) fundamentals and functionality

U.S. banking and capital markets (BCM) companies are not doing enough to keep up with their clients'/customers' changing money management needs. Expectations have been raised, so managers need to meet clients where they are, assuring users that their firms provide the optimal security and privacy services.

It's important to be proactive and focus on personalized interactions, embedding financial and behavioral insights, plus instilling confidence through clarity of content. It almost goes without saying that you must also provide super apps for evolving consumers — the right tools, for the right clients, internal employees and customers, at the right time.



Trend 4:

ESG: Ethics and social considerations

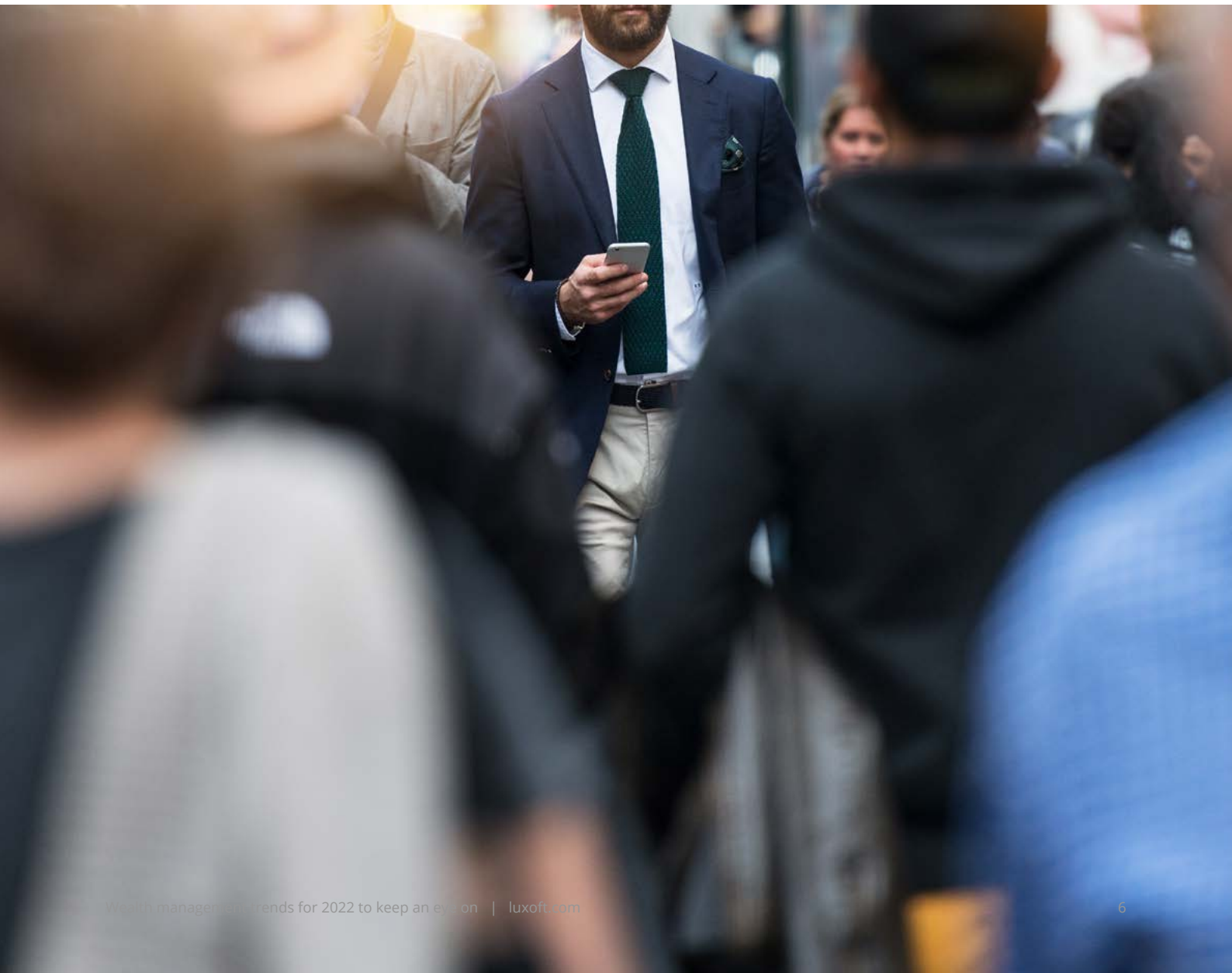
Aligning demographic fundamentals and functionality is crucial

Thematic and impact investments will gain traction and become omnipresent.

The millennial-wealth-investment segment — with its heightened focus on equity, racial justice and the environment — is growing and beginning to influence investment decisions. Not surprisingly, valuation of this rapidly evolving environmental, social and governance (ESG) investment criteria has claimed center stage.

This trend is about ensuring an organization's commitment to long-term sustainable growth involves better data and disclosures, to help investors understand the deep interdependence between environmental and social issues.

The increased public, federal and corporate focus around ESG equity presents an amazing opportunity for corporate leaders who accept the challenge.



Trend 5:

Changes in asset investment



\$11.7B

Spending on blockchain solutions is forecast to reach \$11.7 billion in 2022

Sources: Forbes, Nov 2021, CapGemini 2022, **Businesswire 2018**

Major impacts of blockchain solutions

On one hand, support for real-time payments on a global scale has meant updating technology or designing new systems. On the other, faster settlement processes have proved a real boon for business. Blockchain's decentralized ledgers are speeding up reconciliation and transactional settlement processes. And while migration of legacy systems is important, it can create its own challenges.

Recent and emerging techniques will affect investment decisions. Things like:

- Blockchain and IoT integration
- Integration of customer decision powers
- Day-trade mentality
- Green blockchain initiatives
- NFT expanding into other markets
- More countries adopting cryptocurrencies
- Mega apps
- Virtual reality transforming CRM

Trend 6:

Platform technology evolution

Several factors will affect end users on B2B, B2C and B2B2C engagements:

Consolidation

- The industry will see increased consolidation

Scale

- Platforms enable and accelerate this tendency

Compliance and regulatory adhesion

- Will increase the deployment of AI and machine-based learning

Remote access

- Digital adhesion becomes business-as-usual (digital first)

Data

- Natural language processing will show major advances in wealth management predictive analytics and data opportunities

Partnerships

- Partnering with scale players to democratize wealth management

Products and services

- The range becomes complete and the platform creates a “no boundaries” marketplace

Technology trends will drive the following:

- Direct indexing strategies with clients
- Investment in client experience
- Increased data aggregation and analytics
- AI deployment
- Demand for workplace savings technology
- Consolidation of retirement technology providers
- Customization of workplace retirement plans
- Alternatives go mainstream
- Expansion of remote, location-independent advice
- Adoption of cloud-based services

Measuring 2022 and beyond

KPIs and the bigger picture

Digital transformation is being validated according to wealth management KPIs. It shows that digital innovation boosts productivity and AUM, which translates into higher market share, revenues and shareholder value.

Get in touch

There's a lot more to these 2022 trend insights than meets the eye. Visit luxoft.com/banking-capital-markets or contact financialservices@luxoft.com and find out what taking trends seriously could mean for your firm.

About **the author**



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Shelagh is an award winning, strategic innovation leader and oversees the strategic arm of the Smashing Ideas human-centered design offering. As a thought leader and innovation driver, Shelagh has over 15 years' program innovation experience, focusing on behavioral psychology and customer-centric experiences. With an expanding portfolio across health, auto, insurance, finance, retail and other markets, her vision and insights create impactful results for our business and portfolios.



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Ian is an acknowledged industry leader and reference for wealth management. He is actively involved with a number of innovation firms and partners in FinTech and RegTech.

About Luxoft

Luxoft is the design, data and development arm of DXC Technology, providing bespoke, end-to-end technology solutions for mission-critical systems, products and services. We help create data-fueled organizations, solving complex operational, technological and strategic challenges. Our passion is building resilient businesses, while generating new business channels and revenue streams, exceptional user experiences and modernized operations at scale.

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