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## Communications With Customers: It's Not Just What You Say ...

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The pace at which the Internet continues to affect communications is nothing short of dramatic. Nearly every type of information is now instantaneously accessible, downloadable and hyperlinked. As we adapt to absorbing ever greater volumes of information, and to the rapid rate at which it comes at us, our preferences as consumers of information are changing.

Recent mutual fund industry regulations supporting electronic delivery of shareholder communications reflect a larger trend that extends to virtually any business that maintains contact with its customers. As consumers become more Internet savvy, businesses must better understand their customers' changing preferences in how they receive information, and communicate in a way that serves these preferences, whether via traditional print and mail or electronic, interactive delivery. Companies that position themselves to provide effective communication with their customers through a range of channels will win out over those entrenched in traditional roles.

### Convergence

A convergence of print and electronic strategies addresses not only changing shareholder preferences, but also an increased awareness of the environmental—and operational—costs of print-only communications. By moving certain types of customer communications and disclosure to the Internet, thereby reducing the associated use of paper, ink and postage, companies can improve customer relations while better managing resources. As companies prepare for a continuous evolution in communications best practices, here are a few suggestions for remaining relevant and useful to customers.

**Don't fight the trends.** Rather than seeing the increased demand for electronic delivery as a negative, reluctant adopters could look at this time as an opportunity to enhance the customer experience. By soliciting and learning about customer preferences, these companies can find a balance between the benefits of print and the efficiencies and cost savings of e-delivery.

**Put yourself in the shoes of your customers.** Work from the consumer back rather than from the regulations out. Consider that regulations such as the SEC's Notice & Access or Summary Prospectus rules are not written to make it difficult for companies; they're written to protect consumers against a lack of disclosure. So we can take this opportunity to be the conduit of efficient, effective communications at

the consumer level. We can look to products that optimize electronic and traditional communications.

**Meet your customers where they are now.** The best way to communicate with customers is as they need it today. According to the **Forrester Research** report, *The Time Has Come To Eliminate Paper Statements*, a first quarter 2009 survey of online users found that an average of 55% of respondents had gone online to review bank statements and credit card statements. Yet 31% of respondents said that nothing would encourage them to give up the paper version of their statements, bills, etc.

As electronic bill payment increases in the consumer arena, companies should anticipate increasing comfort levels and adoption of e-documents in the mutual fund and retirement spaces. Giving consumers the option of how they'd like to receive information lets them know that you're interested in meeting their comfort level.

**Lead your customers through the process.** At the same time, we want to encourage broader adoption of integrated communications strategies. To do this, communicate the availability of electronic delivery and make it easier for customers to embrace it. Innovative design that incorporates relevant, targeted messaging and emphasizes dates and calls to action is helpful, as is personalization.

**Look for balance.** In the mutual fund arena, the effective integration of print communication and electronic access to information entails distinguishing "must-know" disclosure from refined research data. It entails understanding how shareholders research and study complex issues, how they "drill down" through annual reports, proxies, and summary and statutory prospectuses. Striking the right balance between helpful disclosure and excessive information is the difference between sending a life line to a struggling swimmer and bombarding him with a hundred life rings that will never save him.

**Provide security.** Customer fears regarding confidentiality and security must be addressed in a converging communication strategy. When presenting delivery options, provide assurances regarding the efficacy of your secure e-mail and advanced encryption solutions in protecting your customers.

It can be easy to get mired in the details of developing systems and solutions for meeting specific regulatory requirements. But if as an industry we step back and remind ourselves that we're in the business of educating shareholders and providing relevant, timely information for them and their families, it's clear: As communications trends continue and adoption of new technology increases, strong customer communications will lie not just in what you say—but in how you say it. **MME**

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