



## The changing investor communications environment demands more advanced electronic solutions

By Peter L. Tenggren

When computers and printers first became available to the masses, we saw an immediate and dramatic increase in the volume of printed paper. We became accustomed to retaining our printed documents in our personal and professional lives. It took more than a decade for us to realize that we were no longer looking at these printed documents, but reviewing them on computers as needed. The majority of the financial services industry still uses technology and design features from the early to mid 90's with color, duplex, selective messaging and inserting being deemed best practices. Only recently, with the societal push to be "Green" and the diminishing margins of the financial services industry, has the focus been shifted to "e-delivery" and active management of investor communications.

The beginning of this century saw the birth of the e-statement industry with society and business' rapid adoption of digital payments and communications well underway by the middle of the first decade. Today, adoption rates are dramatically on the rise. "Digital" currencies are expected to overtake traditional payment methods in the next five years. Books, magazines and newspapers are all available on desktops, tablets and smart phones. Physical phone books have been abandoned and one only has to look at the rapid decline of the U.S. Postal Service to understand this shift. Paper based communications are giving way to social and online media as the preferred method for the majority of consumers. This revolution is taking place in all areas of business and society.

In his book, ***Bank 2.0: How Customer Behavior and Technology Will Change the Future of Financial Services***, Brett King provides a stark example of the mass market's increasingly rapid adoption rate of technology. He states that it took the telephone, radio and TV 50, 48 and 22 years respectively to become a mass market commodity. More recently the PC, internet and iPod took 12, 7 and 2 years to become part of everyday society; and in the seven years since its launch, Facebook has gathered 500 million users. Translating this commoditization to financial services, King believes that asset managers, banks and other financial institutions that don't continually incorporate innovation into their customer experience at the same rate that their customers are adopting them in other areas of their lives will be at a significant disadvantage. He states that by 2020, all customers will have "grown up on social media" and be "digital natives". In this new digital age, King believes that social networking sites will challenge the financial services industry by becoming more trusted and efficient providers of financial information.

We are at a point where it is not only about saving trees and money, but also about consumers, business partners and governments expecting paperless transactions. The financial services industry faces the huge challenge of balancing the costs of rapidly changing technology, social media options and demands of their clients against brand reputation, legal and compliance requirements and a regulatory environment that is not positioned to provide timely guidance.

Financial institutions that do not move towards digital communications and paperless transactions risk losing market share, credibility and most importantly customers. Over the past 10 to 20 years financial services firms have invested heavily in keeping up with rapidly changing communication needs of their investors. Today, firms on the cutting edge are moving into multi-channel marketing strategies through targeted and personalized messaging, leveraging data analytics of the consumer's behaviors. Investor communication is rapidly moving from mass produced documents to individualized tailored communications that draw the interest of the consumer and retain a "personalized" relationship in the digital age.

Firms are beginning to look to experienced partners to help them better innovate in this arena. Today, service providers are charged with assisting firms not only to reduce print/mail expense through economies of scale, but to provide the latest and greatest innovative technologies and solutions that will help them better connect with their investors.

Selecting a provider to partner with can be challenging for firms. The right provider must have a proven track record of covering the spectrum of transactional print, ePresentment and eNotification in the financial services sector along with multi-channel business communications such as PDA, Texting, Mobile Applications and Tablets. They should offer solutions to help manage social media outreach and initiatives such as client servicing and cross selling. In short, they should display a commitment to leveraging best-in-class technology to drive innovation and improve efficiency for their clients.

Additionally, the right investor communications partner must exhibit proven expertise in delivering secured data and documents to protect investors' information. Today, privacy, security controls and governance are paramount for any financial institution.

The digital age is here to stay. To service modern investors, firms need complete digital communications solutions and innovation in personalized multi channel business communications. The right partner will understand your individual needs and approach your service model with flexibility, benefits of scale, innovated technology and industry knowledge.



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