

# EFFECTIVELY USING CLIENT PERSONAS IN WEALTH MANAGEMENT

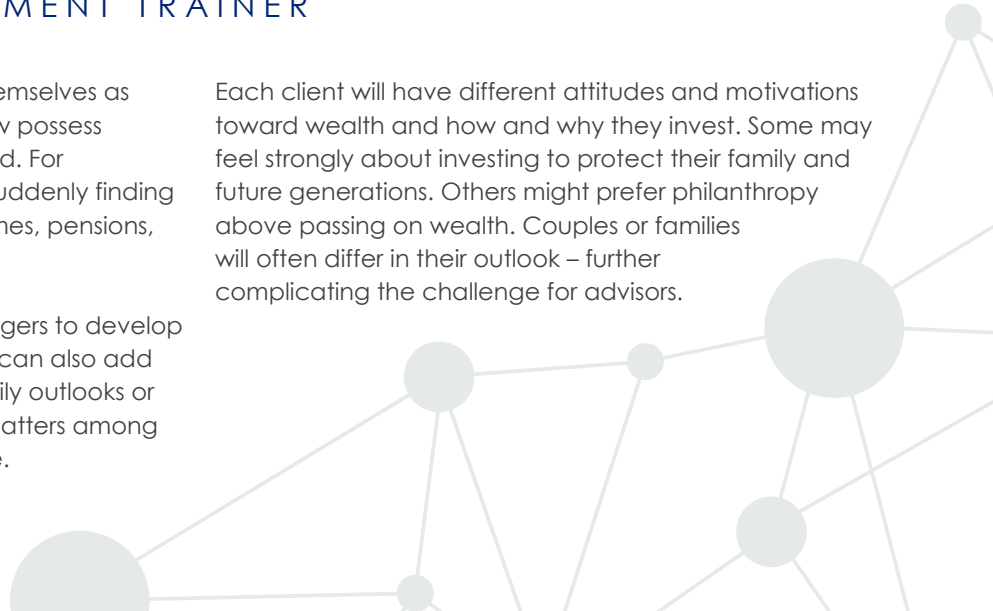


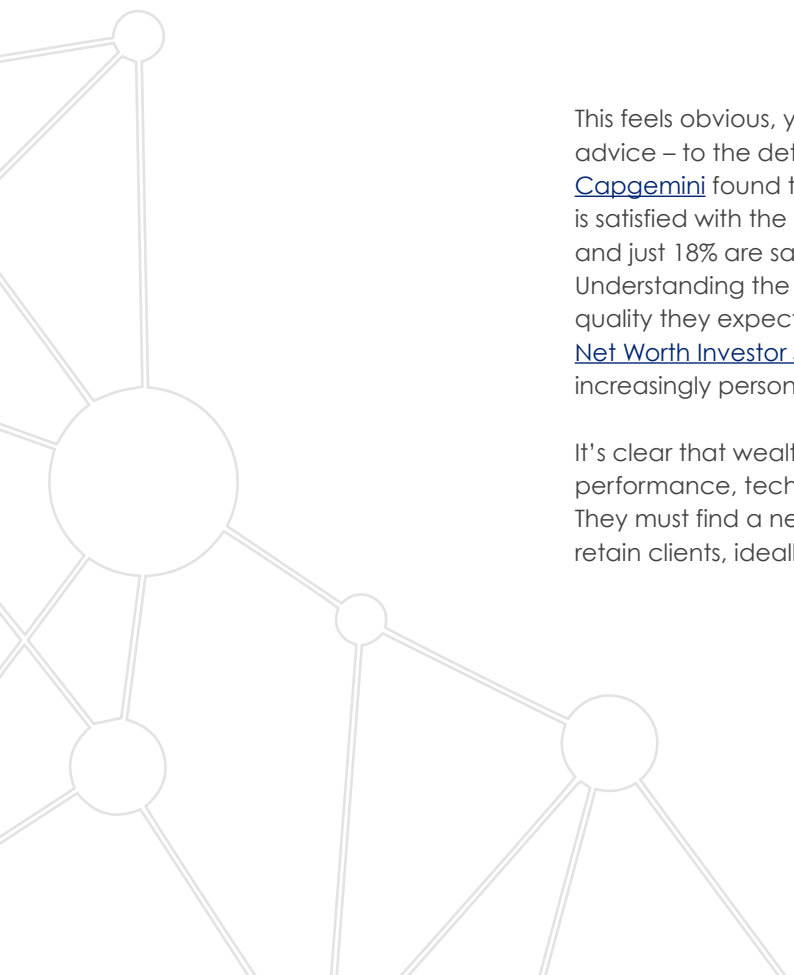
BY VICKIE GRIFFIN,  
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Many people who might not have seen themselves as traditional wealth management clients now possess substantial assets that need to be managed. For instance, baby-boomer beneficiaries are suddenly finding themselves with significant portfolios of homes, pensions, and investments.

This presents opportunities for wealth managers to develop and retain multi-generational clients. But it can also add complexity associated with conflicting family outlooks or different confidence levels with financial matters among their clients that they must skillfully navigate.

Each client will have different attitudes and motivations toward wealth and how and why they invest. Some may feel strongly about investing to protect their family and future generations. Others might prefer philanthropy above passing on wealth. Couples or families will often differ in their outlook – further complicating the challenge for advisors.





This feels obvious, yet many firms fail to individualise their approach to client advice – to the detriment of their business. In its [2023 World Wealth Report, Capgemini](#) found that only one in two high net worth individuals (HNWI) is satisfied with the touch points their wealth management firm offers, and just 18% are satisfied with their current wealth management service. Understanding the needs of individual clients is critical in delivering the service quality they expect and want from their wealth managers. Similarly, in its [High Net Worth Investor Survey](#), PWC found that 66% of HNW investors want an increasingly personalised wealth management experience.

It's clear that wealth management advisors can no longer focus on performance, technology, investments and selling broad-brush solutions. They must find a new way to foster trust, build long-term relationships and retain clients, ideally through the generations.

## THE POWER OF PERSONAS

One way wealth managers can understand their clients and their motivations at a deeper level is to consider client personas. Personas represent a person's dominant traits and characteristics – or personality – and are grouped by type. This profiling is used extensively in non-financial industries such as car manufacturing and consumer goods. Using personas helps businesses identify their target markets and consider what is important to each.

There are several models of client personas in wealth management, but perhaps the most extensive study and detailed view is contained in Prince and File's "High Net Worth Psychology", published in 1999. They identified nine personas based on extensive studies and their experience in wealth management consulting. Each persona differs in what specific touch points they are looking for from their wealth managers.



## NINE PERSONAS

- **VIPs** care about social status and material possessions, and strive for eminence among their peers. They look for prestigious names to manage their wealth
- **Financial-phobics** are nervous about investing and financial responsibility. They'd rather a trusted expert handles their financial affairs
- **Accumulators** are modest to the outside world but always look for returns and gains to grow their wealth
- **Gamblers** want to beat the house. They're more aggressive investors and are thrilled for the ride
- **Independents** are interested in maintaining financial security that allows them the freedom to do what they want
- **Anonymous** clients care about privacy and want to keep financial matters as confidential as possible
- **Family Stewards** want to protect family and pass wealth on to their loved ones
- **Moguls** know what they want and focus on influence and control of their finances
- **Innovators** are knowledgeable in finance and want the latest tech, novel investment models, and complex solutions.

For the approach to be useful, wealth managers must be able to recognise which persona their client or prospect is and consider financial motivations, attitudes, pain points, and priorities.

Once a client's persona is identified, wealth managers can plan their interactions appropriately, helping to deliver that personalised experience clients increasingly expect. They understand that highly technical or performance detail that might turn off a "financial phobic" is essential to winning over an "innovator".

Importantly, they can demonstrate value with conviction, forge trust, and strengthen relationships for the long term.

## BENEFITS OF PERSONAS



Investing time to consider clients and prospects through the lens of personas always pays off.

Firstly, happy clients make for richer relationships and more referrals. In its [2023 Global Wealth Management Research Report](#), EY found that, while clients largely trust firms charge fairly for their services (71%), levels of trust have fallen since 2021. The number of clients unhappy with the value they received has increased from 6% to 10% in the same period. Using personas helps clients better understand the value being delivered and gets them to a more comfortable place with the fees firms charge. It's also an essential step to building trust.

Commercially, building solid multi-generational relationships for the long term is a more sustainable strategy than focusing on short-term gain. Personas help by enabling advisors to effectively build rapport with every member of a family – from wealth generators to those that inherit it.

There are also additional benefits for wealth managers. Working this way gives them greater job satisfaction, motivation, and reward. It allows them to understand different markets more deeply and even carve out specialisms in the sectors or personas they deal with.

Finally, the imperative becomes greater as the [FCA launches Consumer Duty](#), requiring financial services firms to prioritise their customers' needs. From the end of July 2023, wealth managers must consider their clients' characteristics and objectives and how they behave at every stage of the customer journey. For example, they need to ensure communications are clear and easy to understand, products and services meet their needs, and support is on hand should they need it.

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## PUTTING PERSONAS TO WORK

Making the most of personas depends on the right professional skills, active listening, and diplomacy. Knowing how to recognise a particular persona is a great start. But soft skills are equally important. Consideration needs to be given to identifying the right words to use, listening to what is being said, and adapting communication styles to create rapport while being sensitive to personal preferences.

Putting the right training in place pays huge dividends. That training could start right now by taking Alpha's course, ["Effectively Using Client Personas in the Wealth Management Arena"](#).

This half-day course will help you understand client personas and, helping you adapt to and influence your clients for long-term success. Find out more [here](#).

There's more on personas in our whitepaper, The Art of Balancing Generations. Download it now.



FIND OUT MORE  
**Download The Art of Balancing  
Generations Ebook**

## ABOUT VICKIE GRIFFIN, WEALTH MANAGEMENT TRAINER



Vickie Griffin established her training business in 2013. Since then, she has created and delivered bespoke training around the globe for a range of international private banks, asset managers and investment management firms. Her training has focused on improving knowledge and effectiveness in the workplace for entry-level hires and improving communication and efficiencies at all levels within wealth management organisations.

Vickie studied law at the University of Sheffield and spent her early career at Grant Thornton. She qualified as a Chartered Accountant before gaining her tax and financial planning qualification and specialising in capital taxes and financial planning. Before starting her training business, Vickie was a Private Banker with Barclays providing banking, credit, investment, and wealth planning solutions to HNW clients.

### FIND OUT MORE

Wealth management is evolving. Speak to us today to learn more about the complex art of balancing multi-generational relationships as well as the wealth management advisory skills that are now required to stay ahead within the estate planning/ inheritance arena.