

# WICKWARE QUARTERLY

ISSUE N°

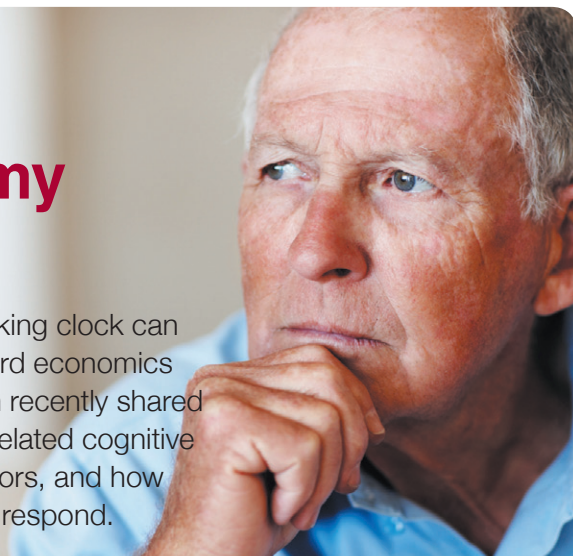
**13**  
SUMMER  
2011

INSIGHT AND AMUSEMENT FOR FINANCIAL SERVICES SALES AND MARKETING PROFESSIONALS

## TRENDS

## Where is my mind?

As investors age, the ticking clock can take a mental toll. Harvard economics professor David Laibson recently shared his insight on how age-related cognitive decline can affect investors, and how investment firms should respond.



“People in their 70s tend to have low default rates and excellent credit, yet they pay terrible interest rates on credit cards and mortgages,” says David Laibson, the Robert I. Goldman Professor of Economics at Harvard University. “The reason is that many older people aren’t sophisticated bargainers, they don’t understand the system, and they accepted the first interest rate offered to them. If they’re getting a raw deal when taking out a mortgage, can you imagine what could happen when buying an annuity or investing their financial assets?”

Laibson blames the poor choices of older people on a very common decline in cognitive abilities.

“As we age, some things improve and some things don’t. Wisdom seems to rise with age. But fluid intelligence – the ability to handle abstract problems – declines after age 20. These two factors move in opposite directions, with the optimal balance generally occurring in mid-life. That’s why you see people in their 50s paying the lowest interest

rates and earning the highest risk-adjusted returns.”

But Laibson says mental difficulties can become evident after age 60, and half of us will have either marked cognitive decline or full-on dementia by age 80.

“This is not a small minority of adults,” he warns. “We all have a great likelihood of facing this problem at some point, and that’s why we need to get our affairs in order well in advance.”

**A new financial planning imperative**  
Laibson believes everyone should have four types of documentation in place by their 50s, if not sooner:

1. An up-to-date Will
2. A durable Power of Attorney for financial matters
3. A Living Irrevocable Trust if there are considerable assets
4. A Living Will regarding medical care

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## INSIDE THIS ISSUE:

> **TRENDS: Where is my mind?**

A Harvard economics professor talks about the cognitive decline of aging investors.

> **CREATIVE: One good story beats a million Tweets.** Creative Director Michael Wickware shares ideas on the power of brand messaging.

> **PERSPECTIVE: Old-fashioned social media.** Classic word-of-mouth fundamentals for today’s financial services marketers.

> **DIGEST: Quick hits on money and marketing.** Saving the Oxford comma and keeping tabs on Wall Street crooks.

> **UPDATE: Industry and agency news.** What 76% of asset managers are getting wrong and more.

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*Wickware Quarterly* is published by Wickware Communications, a marketing agency that helps financial services firms achieve a better Return on Creative™. Subscribe at [wickware.com](http://wickware.com)

If you have questions or comments or need assistance with your marketing and communications initiatives, we would love to hear from you.

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“As we get older, we need more protection, whether it’s from the financial consequences of having a stroke or falling prey to a Ponzi scheme. Advisors should help their clients fill out these forms and get their representatives and beneficiaries in place. In fact, I believe this should be standard operating procedure at every planning firm.”

#### Our view

Firms that adopt professor Laibson’s recommendations have a huge opportunity to earn valuable “trusted advisor” status while also doing the right thing for their clients. We think that’s a true win-win situation.

#### Tell us what you think

Do you have an up-to-date Will in place?

#### CREATIVE: VIDEO FEATURE

## One good story beats a million Tweets

Creative Director Michael Wickware shares key findings from our new study of how 150 top investment firms are using effective brand messaging to drive marketing and increase sales.



**Contact us** to request a copy of our full report, *The Medium Is Not The Message (Or Why Social Media Is The Last Thing You Need To Worry About)*.



#### PERSPECTIVE

## Old-fashioned social media

Social media may be new, but the principles of word-of-mouth marketing certainly are not. We’ve translated fundamentals from almost 50 years ago for today’s financial services marketers.

Blogging at the *Harvard Business Review*, David Aaker pulled a number of key findings from a 1966 study conducted by Ernest Dichter into the art of word-of-mouth persuasion. Dichter identified four things that motivate people to spread the word about a brand. Despite being nearly half a century old, these motivations still ring true, and are instructive to financial services marketers hoping their clients will spread the word – whether on Facebook or at a good old-fashioned cocktail party.

#### Motivation #1:

##### Product-involvement

In 33% of cases, product-involvement is the reason people spread the word. This means the experience is so pleasurable, it simply must be shared. In the world of investing, pleasure can come from positive performance results, but it can also come from a high level of service with lots of personal contact and attention to detail.

#### Motivation #2:

##### Self-involvement

About 24% of the time, people tell a friend about a product or service for their own benefit. Aaker says sharing knowledge or opinions is a way to gain attention, show connoisseurship, feel like a pioneer, have inside information, seek confirmation of a person’s own judgment or assert superiority. We’ve all met people who like to brag about their investments. Are you making it easy for them to send you referrals?

#### Motivation #3:

##### Other-involvement

For 20% of people, helping others is the motivator. The speaker wants to express neighborliness, caring and friendship, and may recommend a product or service to someone else, even if they themselves aren’t particularly interested. For financial services marketers, some of these people may be centers of influence who aren’t direct clients, but have the ability to steer clients your way.

#### Motivation #4:

##### Message-involvement

Dichter found that 20% of people are motivated to share a brand when it has a message that is particularly entertaining or informative. This can be difficult in financial services, where messages can quickly become bogged down in complexity. Can you explain your offering with just a few simple and powerful phrases?

#### Our view

To really tap into social networks, we believe you need to create a great client experience, give clients insight that makes them feel special, make it easy for them to share that insight, and wrap up everything in focused, repeatable messages that entertain and inform.

DIGEST

# Quick hits on money and marketing



## Save the Oxford comma!

The Oxford comma, also known as the serial comma, is a very useful grammatical tool. To clearly delineate the items in a series, it goes before the conjunction, such as the word “and.” Take the phrase “wisdom, luck, and junk bonds.” If you remove the comma – “wisdom, luck and junk bonds” – the reader might believe there’s a new security called a “luck and junk bond.” As long-time defenders of the Oxford comma, we were recently saddened to learn that none other than the P.R. department of the University of Oxford itself has dropped it from their style guide.



Source: salon.com  
**Birth of an icon**

You may have heard that the BMW logo was inspired by rotating aircraft blades. But according to BMW historian Kai Jacobsen, the BMW logo is actually a 1917 mash-up of the logo from predecessor company Rapp, and the Bavarian flag.

Source: logodesignlove.com



Rapp logo

+



Bavarian flag

=








BMW logo

1917

## Wall Street crooks: where are they now?

As you wistfully reminisce about the 2008 financial crisis, you may find yourself wondering what happened to some of the saga’s leading bad guys. Here’s an update on five of them:

Crook	Claim to fame	Current status
 <b>Jimmy Cayne</b>	CEO of Bear Stearns. Sold his stake in the company in 2007 for \$60 million as it teetered on bankruptcy.	Living a free man. Described by his former mentor, ex-CEO of Bear Stearns Ace Greenberg, in his book <i>The Rise and Fall of Bear Stearns</i> as a “dope-smoking megalomaniac.”
 <b>John Thain</b>	CEO of Merrill Lynch. Spent \$1.2 million remodeling his office as Merrill went under.	CEO of CIT Group with an annual pay package of about \$7.5 million – less than 10% of the \$83.8 million he made at Merrill in 2007.
 <b>Richard S. “Dick” Fuld, Jr.</b>	CEO of Lehman Brothers. Drove the company into bankruptcy with more than \$630 billion in debt.	Working as a stockbroker. Named one of the worst CEOs of all time by <i>Portfolio</i> magazine, which described him as “belligerent and unrepentant.”
 <b>Angelo Mozilo</b>	CEO of Countrywide Financial. Alleged to have made \$470 million between 2001 and 2006.	Agreed to a \$67.5 million SEC settlement to avoid trial on civil fraud and insider trading charges in 2010.
 <b>Fabrice Tourre</b>	Engineer of Goldman Sachs’ notorious ABACUS bundle of toxic subprime mortgages.	The lone Goldman Sachs executive to be charged by the SEC, the self-anointed “Fabulous Fab” is still making his way through the courts.

Source: dailyfinance.com



### What are 76% of asset managers getting wrong?

The answer is messaging – creating a concise and powerful message that tells investors, advisors and consultants *why* they do what they do, *what* makes them different and *how* they can solve a client’s individual needs. Wickware Communications studied 150 asset managers with \$10b+ in AUM across North America to find out which firms are doing a great job with their message, and identify best practices that firms of all sizes can use to improve their marketing efforts and increase sales. **Contact us** to request a copy of the report, or to book us to speak at your industry event.

### Join us in NYC this August 22-23

If you want to advance your career in investment marketing and communications, join us in New York City this August 22-23 at the annual conference of the Professional Association for Investment Communications Resources (PAICR). The conference theme is “Creating a Competitive Edge in the New Normal,” and whether you are new to the industry or an experienced leader, we promise you will learn new ideas, meet new people and find new opportunities to succeed in your business and your career. Visit [paicr.com](http://paicr.com) for more information, and please feel free to **contact us** with any questions.

### WISE WORDS

Age is an issue of mind over matter.  
If you don’t mind, it doesn’t matter.



– Mark Twain



### Introducing Matthew Wilson

Matt joined the Wickware team as a summer intern, and he has made a lasting impact as a researcher on our brand messaging study, a thought leader in the area of social media and a highly capable sales and marketing associate.

Matt is an MBA candidate at the University of Victoria, and we met him shortly after he qualified for the final rounds of a nationwide marketing strategy contest sponsored by Chevrolet. While at school, Matt also wrote a blog for his MBA program, which led to an ongoing business and education blog at [The Globe and Mail](http://TheGlobeandMail.com).

Prior to joining the MBA program, Matt spent two years teaching English in Japan where he met his girlfriend, Kaori. The couple plan to marry at a traditional ceremony in Tokyo next spring. How’s his Japanese? “Boku no nihongo was jozu ja nai desu,” says Matt.

### We are the financial industry’s creative partner

**Wickware Communications** helps financial services firms earn a better Return on Creative™ through superior branding, writing, design, print, and digital marketing solutions.

[wickware.com](http://wickware.com)



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