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# The Great Wealth Transfer

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As the biggest intergenerational asset shift in history unfolds, cutting-edge lifestyle services can play a powerful role in client retention.

Wealth managers and private banks who are not busy building strong ties with the Next Generation of clients right now are at risk of losing them during the “Great Wealth Transfer”.

However, providing clients with valued lifestyle services offer a strategic customer experience (CX) solution to drive asset retention – and expansion – by nurturing bonds with those set to inherit the wealth.



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# The Great Wealth Transfer

## Challenges and opportunity

The financial world is about to experience a big shake-up, due to what financial experts are calling “The Great Wealth Transfer” [1]. Statistics from Barclays indicate that during the next decade, some of the wealthiest individuals in the world will trigger the largest transition of wealth in history, transferring more than \$15 trillion to their families – a sum greater than China’s annual GDP [2].

In most cases, this wealth transfer leads to the recipients – the spouse and heirs – switching to a new financial advisor.

**“70 percent of women switch their wealth relationship to a new financial institution within a year of their spouse’s death” [3]**  
(source: McKinsey)

**90% of heirs historically change financial advisor after they inherit [4]**  
(source: Deloitte)

So why do those who inherit tend to jump ship? Research suggests that heirs often feel there is a critical gap between their own financial goals and the interests of the existing wealth manager. As demographics



change, so do behaviors and interests, and thus the financial interests of the client.

**Wealth managers need to build loyalty with the Next Generation and inheriting spouses.**



Deloitte highlights that, to meet this problem, firms need to build multi-generational relationships with their clients and their families before imminent wealth transfer – otherwise, the major demographic shift stands to upset long-standing advisor/client relationships.

The good news? Those wealth management firms who embrace the challenge and manage to draw the whole family into their fold before the “Great Wealth Transfer” takes place, create a strategic opportunity.

**Analysis by McKinsey’s PriceMetrix indicates that simply by retaining spouses and partners, firms could see one-third higher revenue potential [3].**

The vital question for banks and wealth management firms is: how to retain the Next Generation? That’s where we come in.

**As the world’s leading lifestyle management company, it’s our role to drive your client engagement and retention, via high-quality and personalized lifestyle support, increasing members’ loyalty and connection to your brand.**



# Building loyalty

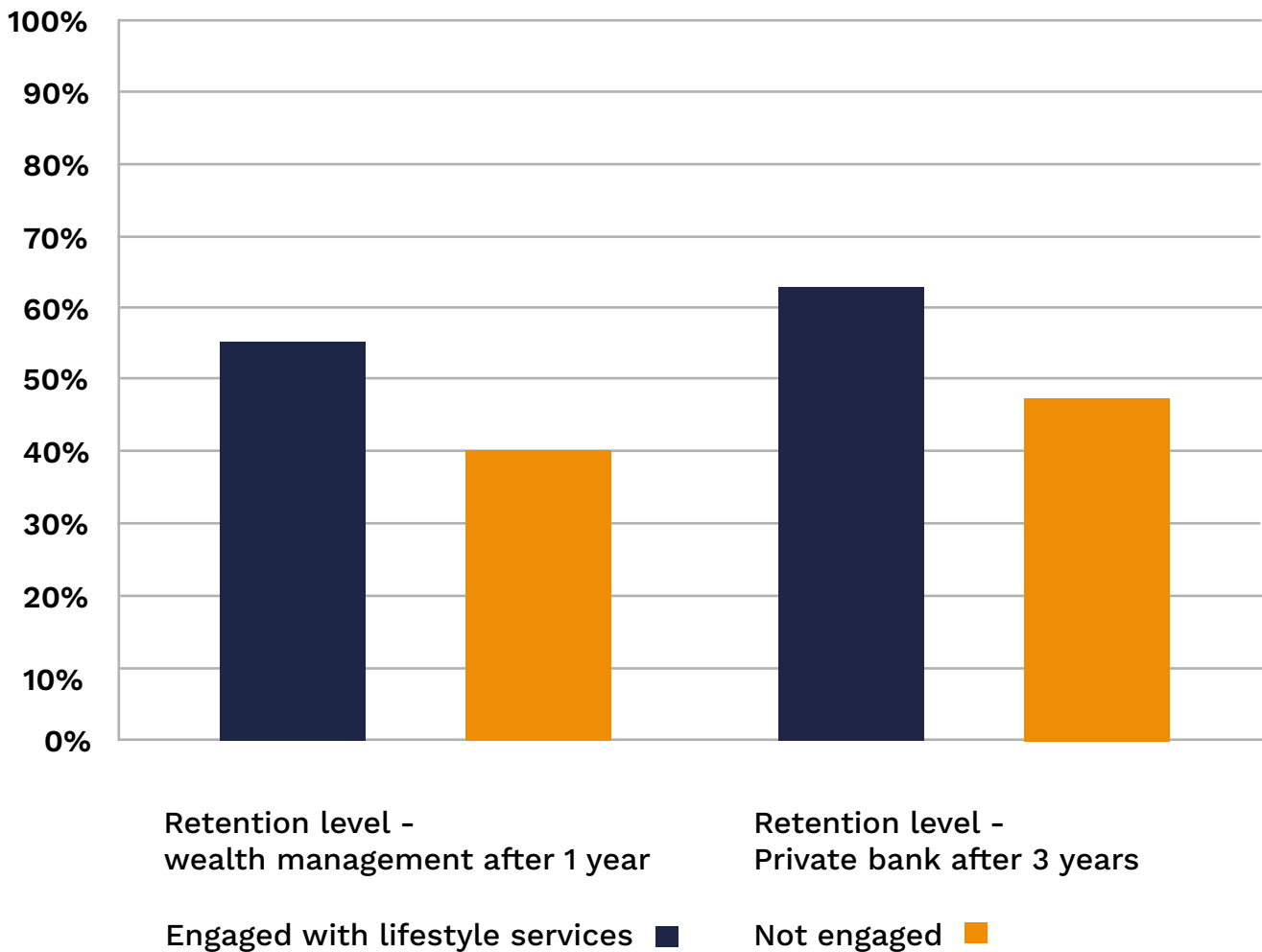
## Retaining assets during wealth transition by connecting with the NextGen

Transferring wealth is complex, often bringing deep and powerful emotions into play. As the time for wealth transfer approaches, tensions can push families to breaking point. This can lead to conflict and negative feelings in Next Generation heirs, who often end up deciding that they want to do things their own way and that, as the existing 'status quo' provider, you are not 'the bank for them'.

To effectively mitigate this, it's vital to build a support relationship in the years before the AuM transfer to create a brand bond with the NextGen. **If heirs have formed an emotional connection to the bank and feel supported, they will be more likely to continue managing their finances and assets with the brand they trust.**



# Impact of lifestyle services on client retention after bereavement



Source: analysis of Ten member usage data

**15%**

The average increase in client retention when engaged with lifestyle services



## Case study: European Private Bank

Seeking opportunities to connect with spouses and NextGen, a private bank invited family members of important clients to use its concierge services, provided by Ten, on a complimentary basis. During a summer educational program for the NextGen of its most valuable customers, attendees were gifted Ten membership under the bank brand, and were shown how to make the most of the service. This resulted in more than 70% of the attendees activating their memberships and becoming users of the service – thus creating a bond with the brand.

“My father ran the family finances with an iron grip. He didn’t like to share too much and ran his wealth directly (in the company) as well as through two wealth managers,” says one Ten lifestyle services user. By the time the family wealth had been passed over, the bank, using Ten’s services under their brand, had managed more than 40 requests for the individuals who inherited, creating a powerful brand connection.



**The lifestyle services had helped this new generation to see the bank as “their bank” and as an advisory firm who “had their best interests at heart”.**



**When Dad passed, we [the siblings and wife] decided to cut one of the wealth managers entirely as they had never shown any interest in us and focused on the firm who had been supporting us for years instead. They knew us, and we felt like we knew them.”**

– Ten lifestyle services user from a global private bank.

Following the success of the programme, the bank has started to broaden its reach of complimentary membership access to other groups and has also trained private bankers on how to explain the benefits of the service.

In addition, the bank reported new customer acquisition opportunities, as the visible use of the service by the initial cohort of the younger generation – to access restaurant tables, tickets and upgrades – generated desire amongst their wealthy peers who ‘wanted what they had’.





# Engaging NextGen

## Driving engagement and retention via high-quality, personalised lifestyle support

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The heads of the family often find it difficult to hand over to their heirs, with 57% struggling to trust in the next generation's ability to manage the family business [2]. Adding to the tension is the fact that the advisory relationship tends to be primarily with the decision maker, who may not even support financial conversations between his advisor and his dependents.

**“Over the years our advisors spent a lot of time cultivating a relationship with the family decision maker. The same could not often be said for the people set to inherit their fortune. Our advisors found it hard to get to know the Next Generation heirs, especially when the alpha did not actively enable these conversations. So, we looked to provide a lifestyle service that allowed our brand to engage with the inheritors in a positive and non-controversial way.”**

So how can banks and wealth managers form a bond with the Next Generation, without upsetting the status quo?



## Case study:

### Family engagement through the use of lifestyle services



A leading European provider identified their target demographic and provided Ten's concierge services to the extended families of valuable clients. In one typical example, one alpha was invited to nominate eight family members – three of whom used the service within a month and another two within three months, after hearing advocacy from the early adopters. Through booking the most exclusive restaurants, in-demand events, personal travel and other valued services, we cemented a positive perception of the bank brand and demonstrated high

service levels, relevance and innovation. We were also able to present the bank with accurate and fresh profiles of these individuals, all of whom agreed that the bank could access insights from the lifestyle service. By sharing the preferences of each individual, Ten ensured the bank had more than enough data to find the right profile of banker to match the children, who each had very distinctive personalities and lifestyles.



**The bank took the time to get to know us as the control of the family money was handed over. We met advisors who ‘got us’ and were about our age. They [the bankers] took us out both together and individually to get to know us and our objectives. This really helped us build a relationship with the company that we had previously thought of as ‘Dad’s bank’.”**

– User of the bank’s lifestyle services.

By organising individual interactions at a time and place of convenience to the clients, the bank was able to prove its knowledge of the NextGen and cultivate the necessary relationships to ensure retention upon wealth transfer.

# Future Proofing

## Adapting to the needs and wants of NextGen clients

“The Great Wealth Transfer” is putting a new demographic in the spotlight, savvy Millennials and members of Gen X who grew up in the digital landscape and use it to their advantage in everyday life. This comes with certain non-negotiable standards set by these groups, who have adapted to sharing their data freely in order to receive a highly personalized experience or service. Confident and unafraid of change, their loyalty lies with those who meet their expectations. From adventure travel, to accessing the most popular gigs, and exceptional dining for the foodies, we know what this demographic wants, and our service is tailored to the individuals.

Banks and wealth management firms who don't adapt to this NextGen – their future clients – risk losing out.





98%

Of NextGen clients are digitally competent, accessing the internet or apps daily [5]

85%

Over 85% of clients typically agree to share GDPR-compliant data from Ten Lifestyle Group to their bank, creating opportunities for personalized service

83%

Of financial-services business leaders surveyed think they are at risk of losing business to competitors [6]



## Four ways Ten Lifestyle is answering the digital needs of NextGen clients

### Driving engagement

With **Millennials and Gen X giving us an NPS in the 70s** when using our proactive services, we know how to drive engagement and retention of customers, building their loyalty to our clients.

### Backed up by data

Behind the scenes, we have a **dedicated data team** that works collaboratively with our clients to help them better understand member profiles and the behaviors of their customers.

### Member-led, online self-service

Our **award-winning, industry leading digital platform** provides the benefits of concierge at the touch of a button.

### One-stop shop

With 64% of affluent clients, rising to 73% of under-45s, seeking expert help for non-financial matters including health and fitness and family life, our services include exclusive benefits in travel, entertainment, dining and many more. **“Why not give them one place to do it all?”**

Find out more about the service and examples of our recent member communications [here](#)

# Conclusion

Private banks and wealth managers wishing to retain and attract AuM during the Great Wealth Transfer must act now by establishing a relationship with the NextGen. Offering Ten's lifestyle services is a strategic CX solution for any private banks' and wealth managers' NextGen strategy. Firms that nurture the family connections will enhance the brand - resulting in both asset retention and expansion.





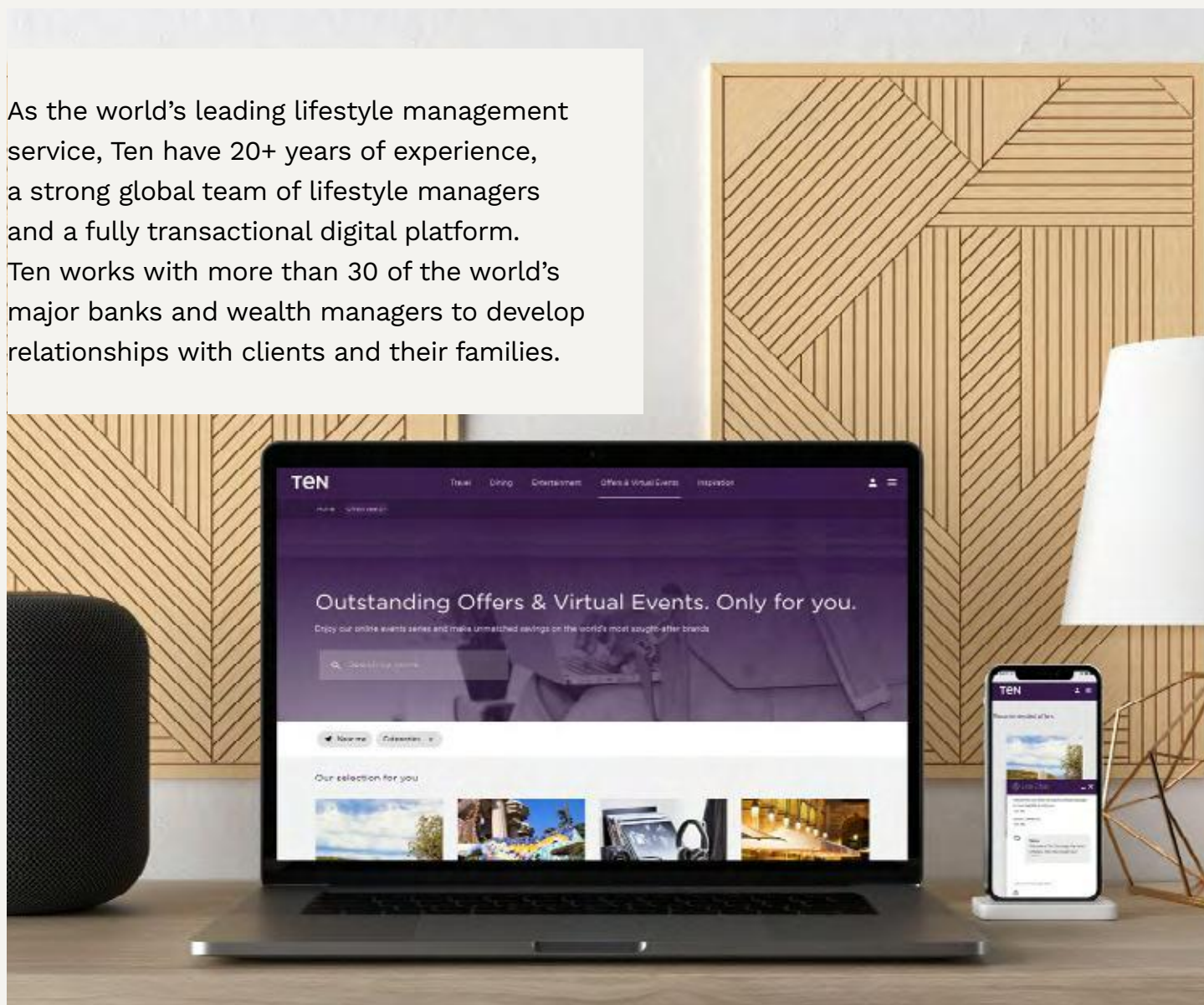
**Wealth managers need to be agents of change – they need to have the emotional intelligence to understand how life changes are affecting their clients and offer their best ideas for dealing with these changes”**

– Mike Lee, EY Global Wealth & Asset Management Leader



# About Ten

As the world's leading lifestyle management service, Ten have 20+ years of experience, a strong global team of lifestyle managers and a fully transactional digital platform. Ten works with more than 30 of the world's major banks and wealth managers to develop relationships with clients and their families.



# Learn More

## The Value of Concierge

Discover how Ten's Lifestyle services can impact acquisition, retention, engagement and spend

[Click here](#)

## Our case studies

Delve into the world of concierge by downloading one of our case studies.

[Click here](#)

# Sources

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