

Pandemic Perspectives (Part 6) – Useful Content in Times of Crisis

April 29, 2020

The curve of new infections and new deaths from COVID-19 is flattening almost everywhere. The number of active cases is also starting to decrease in numerous countries, resulting in tentative steps to ease the lockdown measures in many places.

However, the economic impact of the crisis is revealing itself gradually with many surprises along the way—as illustrated by the historic first of West Texas Intermediate oil prices for May delivery shortly going into negative territory last week.

For institutional investors this means that they need to stay on their toes with regard to the impact of COVID on their investment portfolios. They have access to a huge flood of investment information and analysis, but cannot possibly consume and make sense of it all. A key question for both investors and the asset managers and consultants that serve them is to decide what they focus on.

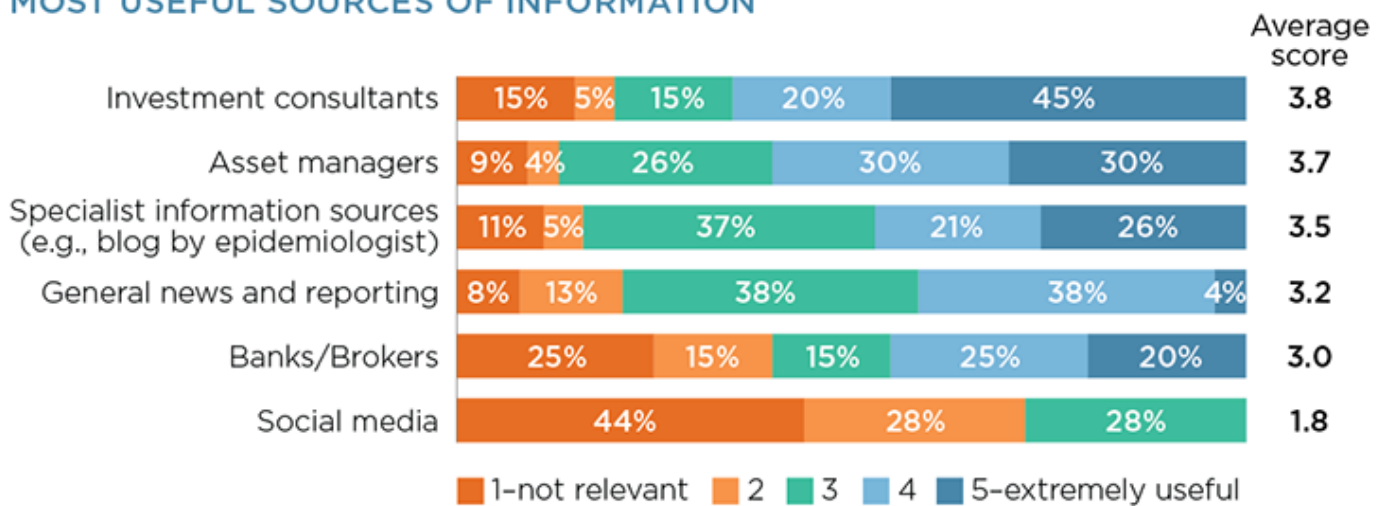
Investors Supplement Key Information Sources with Specialist Resources

Historically, investors have mostly relied on investment consultants and asset managers for insight and advice to guide them through both “normal times” as well as through crises. However, there is no playbook for the current crisis. The globally synchronized nature of the crisis, coupled with governments trying to actively suppress GDP (via lockdown measures), is something investors have never experienced before.

It might make sense that investors would then go beyond their trusted sources of advice and insights, but the asset management industry on the whole has done a very good job of guiding its clients through this crisis.

In a recent flash study of institutional investors, investment consultants and asset managers are still considered the most useful sources of information during this crisis, unsurprisingly followed by specialist information sources, such as epidemiologists and key fact-gathering websites like John Hopkin’s COVID map.

MOST USEFUL SOURCES OF INFORMATION



Note: May not total 100% due to rounding

Source: Greenwich Associates Coronavirus Flash Study, April 2020

Clearly, the fact that investment consultants and asset managers were well-established sources of information and analyses prior to the crisis has helped: Three-quarters of investors said the fact that they already knew the information source was a key reason for their turning to it during the crisis.

Lockdowns Accelerate Changes in Information Consumption Habits

While investment consultants and asset managers can take comfort in knowing they are generally the most relevant source of information, the individual firm will have to determine how to ensure that investors prefer its information over competitors'.

Quality of content is undoubtedly a key contributor, but the lockdown is accelerating changes in information consumption habits that provide several key takeaways on content delivery:

First, investors want to consume information on their own time. The ability to consume a piece of information in their own time is cited by three-quarters of investors as a key reason for turning to it.

This pattern favors content delivered via email, websites and webinars (which are usually recorded and can be watched later on) over individual phone or video calls and chat. In their conversations with Greenwich Associates, many asset managers have reported record attendance to their webinars hosted in the past few weeks.

Second, investors will spend varying lengths of time to read, watch or listen to content. This requires a much more subtle understanding of investor preferences, as they are often not very homogenous in this regard. Some investors may prefer a five minute read and others are happy to take 20 minutes to understand an important analysis.

For the asset manager and investment consultant, this may often mean creating and sharing both a more

extensive analysis and a well-curated synopsis, with the latter often being the more resource-intensive piece of work, as nicely illustrated by the adage, “I did not have the time to write you a short letter.”

Third, know the preferred frequency of updates. Again, this is an area where investor preferences are not very homogenous, as illustrated in the following chart, which shows that some investors would like to receive updates on a daily basis and others on a weekly basis.

PREFERRED FREQUENCY OF INFORMATION



Source: Greenwich Associates Coronavirus Flash Study, April 2020

Knowing how often to provide updates to which investors requires an intimate understanding of clients. If clients don't specify their preferred frequency, or if the option to select a frequency isn't available, a mix of personal knowledge and data-driven analysis on the frequency of information consumption (such as open/click-thru rates matched to each communication sent) can be used.

Furthermore, asset managers also need to be cognizant of the link between investment strategies and frequency of updates. An investor investing into a private markets portfolio will likely want a much lower frequency of updates than an investor investing in liquid asset classes.

Pandemic Perspectives Series

[Part 1 – Greenwich Investor Resilience Index](#)

[Part 2 – Lessons from the Past](#)

[Part 3 – Supporting Consultants During Coronavirus](#)

[Part 4 – Asset Manager Service Quality: Pre- and Post-COVID-19 Onset](#)

[Part 5 – Leading Through Crisis](#)

[Part 7 – Managers Adapting Through Crisis](#)

[Part 8 – Using Analytics to Transform Sales, Win New Assets](#)

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic

benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Coalition Greenwich, which is a part of CRISIL Ltd, an S&P Global company. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Coalition Greenwich as on the date of the Document and Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data in this Document may reflect the views reported to Coalition Greenwich by the research participants.

Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES COALITION GREENWICH BELIEVES TO BE RELIABLE. COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Coalition Greenwich is a part of CRISIL Ltd, an S&P Global company. ©2024 CRISIL Ltd. All rights reserved.