



# How AI can Shape Fund Marketing and Help Boost AuM

London (HedgeNordic) – Like it or not, AI is set to play an ever greater role in the fund marketing sector. It's extraordinary analytical power makes it a true game-changer and – sooner or later – all marketing departments will come to rely on it. So, the question is not if you should introduce AI into your marketing strategy – it is a question of when, how quickly and to what extent you are going to introduce it.

The rise of AI in this sector is an inevitability, yet many people in fund marketing still shy away from it. This is perhaps because of a fear that it will somehow 'take over' and lead to mass redundancies – or even render the whole marketing department obsolete.

But, while it is true that AI – by its very definition – is doing tasks that used to require human intelligence, this fear is unfounded. Introducing AI into your company does not mean opening the door to some kind of autonomous super-computer bent on global domination. It's just a computer system and, just like any other computer system, AI needs people to be effective. And this is especially true with fund marketing. It is there to help people – not replace them.

And the most important thing to remember in this regard is that the extraordinary

analytical capability of AI actually creates work, as by quickly and effectively managing vast amounts of data, it in turn creates vast amounts of information for people to work on.

The only thing that changes after the introduction of AI are the tasks that falls to those in the marketing department. With AI in place to analyse data, you can kiss goodbye to the painstaking work of picking through databases and reports to identify key data that can keep you informed about prospective and existing investors. AI does all this for you. So, your marketing team are left with the - potentially much more profitable - job of turning the information that AI has produced into something actionable.

So, you should think of AI as augmented, rather than artificial, intelligence as it is there to help you, and will actually improve the capability of your staff - not get rid of them.

In short, AI is a force for good and one that should be embraced - not feared.

There are four major ways in which AI can help you to raise and preserve assets under management:

## **1. Flag up vital information**

The beauty of AI is that it can analyse huge amounts of data in seconds to establish which communi- cations are resonating most with your audience.

So, you can use your AI engine to scour through all your data and uncover the information that is most pertinent to your quest to boost funds under management, such as:

- Prospects who have just started reading and interactingwith your material (so could be ready to invest with you)
- The most active prospects within your database - thosewho are reading and engaging more than any others (and so are almost certainly thinking about investing with you)
- Existing investors who have stopped reading andinteracting (and thus may be looking to redeem their assets)

- Existing investors who have suddenly started reading and engaging again (and thus may be thinking about increasing their existing investment)
- Existing investors who are potentially interested in other funds and products (and so there is a possible cross-selling opportunity)

When this sort of information is flagged up by AI, it can be checked by your marketing team, who can then pass through the hot leads to your sales team, who will then take action.

One of the major benefits of AI is that it spots this type of information incredibly quickly - whereas, if this had to be uncovered by a laborious manual process it could be too late by the time the prospect or client is actually contacted by a member of your sales team.

## **2. Identify client personas**

You can take data analysis up a level by teaching your AI engine how to automatically spot client personas as soon as they enter your system.

If you take the trouble to sit down and identify the typical persona of an investor in your fund, you can then use AI to spot these people as soon as they enter your system, based on certain common characteristics. Then your marketing and sales teams will be aware of their presence and can interact with these valuable prospects as appropriate.

## **3. Prevent Fraud**

AI also has a big role to play in the fight against financial fraud. According to research by The Annual Fraud Indicator, the UK loses £190 billion each year to fraud - and financial institutions are obviously a major target.

But AI can protect you from this threat by detecting and reporting suspicious activity by analysing data. It doesn't rely on the rules-based method usually used to detect fraud, where activity is flagged up as suspicious when it breaks certain rules. Instead, it uses systems to learn from data - instead of encoded rulesets - and analyses all features of accounts and transactions, instead of just a few, to identify anomalous and possibly criminal behaviour.

This can result in much more effective fraud prevention, which obviously helps you keep assets under management.

## **4. Talk to Your Prospects**

Quick and effective communication is a key factor in persuading prospects to invest with you. And AI can be deployed to great effect in this regard by running a live chat facility, also known as a chatbot, on your website.

Your website has a major part to play in attracting investment - as it is where both potential and existing investors will go to find an interactive and useful experience, which helps them to discover more about your brand and your company. And by using a chatbot to offer information and answer simple questions, you provide a useful source of information for people who are considering investing with you.

Of course, a chatbot is never going to replace the personal communication from your sales team, which is when actual buying decisions are made. But, harnessing the power of AI to enable initial communication with a potential investor could be the difference between someone choosing to find out more about your fund, or moving onto then next one on the list.

## **How To Change your Team To get The Most From AI**

It's obvious that AI has a huge role to play in boosting AuM, as its extraordinary analytical power can transform your ability to collect and act on relevant information.

But actually setting up, implementing and running artificial intelligence within your company is no easy task. It involves highly complicated technology that demands the attention of an expert in the field.

And that is why you need the services of a data scientist in your marketing team.

## **What exactly is a data scientist?**

Basically it's someone who explores data, makes predictions and finds structure.

So, typical tasks for a marketing data scientist may include:

- **Measuring:** Determining the impact, positive or otherwise, of your marketing and ad campaigns
- **Optimising:** Recommending changes in marketing tactics and ad spend to improve results
- **Experimenting:** Designing and carrying out tests to find out what works and what doesn't
- **Communicating:** Taking the results derived from data and showing how they can lead to better decisions
- **Segmenting:** Using data to identify groups and subgroups of prospective and existing investors
- **Modelling:** Constructing predictive computer models to improve on response rates

In addition - just like AI itself - a data scientist is not there to take jobs away. He or she will complement and build on the skills and experience of the rest of your marketing team, not replace them.

## How to work with a data scientist

Keep in mind that one of the chief attributes of a good data scientist is curiosity. They are likely to have a thirst for exploration and will want to find ways to use data to improve results, even if this is beyond your normal scope of operations.

So, you must be careful to feed this and provide opportunities for data scientists to learn on the job and explore speculative ideas that tap into their curiosity. Don't try and make them fit a pre-set role - they are a valuable resource and should be given some freedom to experiment.

Don't forget, data science is one of the most marketable skills in the business world at present, so if you don't look after your data scientists - someone else will quickly snap them up.

## Conclusion

Not so long ago anything to do with AI or data analysis was seen as the preserve of the IT department - a process that took place in back rooms to keep the company running, which only those with vast technical knowledge were able to

comprehend.

But times have changed and they have changed quickly. Within the space of just a few years AI and its data analysis ability has become vastly more important and companies must now prioritise this technology in order to succeed. Because, whether you like the idea or not, artificial intelligence is here to stay and no-one in the fund marketing sector can afford to ignore its significance, or its potential.

*This article was written by Paul Das, Managing Director at ProFundCom , and featured in HedgeNordic's [special report on systematic strategies](#) in June 2019.*

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