

NEWS RELEASE

Date January 22, 2014

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Cogent Reports: Retail Business Still Drives DC Plan Specialists' Perceptions

(Embargoed until January 22, 2014 with exclusive rights to *The Retirement Advisor University* before January 22)

(Cambridge, MA) January 22, 2014 – A new study by [Cogent Reports™](#) reveals that financial advisors who focus on the defined contribution (DC) plan market still hold the bulk of their total AUM with individual clients. Thus, their perceptions of and exposure to investment managers and DC plan providers are largely shaped by their retail relationships and experience. As a result, full-service providers and firms with a strong retail presence have a definite advantage over defined contribution investment only (DCIO) providers and record-keeping specialists in capturing financial advisors' DC plan business. These and other findings are included in the recently released [Retirement Plan Advisor Trends™](#), a Cogent Reports study from [Market Strategies International](#).

Among financial advisors who manage at least \$10 million in DC assets, only one-third (35%) report that DC plan assets comprise 25% or more of their total book. Furthermore, in dollar terms, just 15% of these plan producers have \$50 million or more in DC plan assets under management. "Among financial advisors, true DC plan specialists are a small, rather elite group," says Linda York, vice president and author of the report. "Establishing and protecting a DC-focused relationship is complicated and influenced by the web of relationships established over the years through their broader retail business."

The firms that have managed to break through in the advisor-sold DC market are primarily those that also have a strong retail presence and a successful reputation in the financial advisor community. Not surprisingly, the leaders in overall brand equity—a composite measure of top-of-mind consideration, awareness and brand impression—are big firms with multiple lines of business. While this reality creates an uphill battle for DC-only firms, the study identifies ways that record-keepers and managers can more effectively position their firms for future growth.

"A strong retail presence, while important, only gets you so far. Firms need to also emphasize what DC plan advisors care most about: best-in-class advisor service and support, good value for the money, and strong risk management practices and fiduciary support," says York. "Bring those things to the table, and advisors will take notice."

Top Ten Leaders in Brand Equity Among DC Advisors (Unaided consideration, awareness and brand impression)

DC Investment Managers

1. Fidelity Investments
2. American Funds
3. Vanguard
4. John Hancock Funds
5. Principal Funds
6. BlackRock
7. Franklin Templeton Investments
8. PIMCO
9. OppenheimerFunds
10. ING

DC Plan Providers

1. Fidelity Investments
2. American Funds
3. John Hancock Financial Services
4. Principal Financial Group
5. Great-West Retirement Services
6. Nationwide Financial
7. Vanguard
8. ADP Retirement Services
9. Transamerica Retirement Solutions
10. Ascensus

Source: Market Strategies International, Cogent™ Wealth Reports: Retirement Plan Advisor Trends™, December 2013

About the Retirement Plan Advisor Trends Study

Cogent Reports conducted an online survey with 316 financial advisors in August through October of 2013. Survey participants were required to have an active book of business of at least \$10 million in defined contribution plan assets under management. Cogent Reports set quota targets and weighted the data by AUM, channel, age, gender and region to be representative of the overall advisor universe according to the Discovery Data Financial Services Industry database. The survey has a sampling error of +5.6 percentage points at the 95% confidence level. Market Strategies will supply the exact wording of any survey question upon request.

About Market Strategies International

[Market Strategies International](#) is a market research consultancy with deep expertise in communications, consumer/retail, energy, financial services, healthcare and technology. The firm is ISO 20252 certified, reflecting its commitment to providing intelligent research, designed to the highest levels of accuracy, with meaningful results that help companies make confident business decisions.

Market Strategies conducts qualitative and quantitative research in 75 countries, and its specialties include brand, communications, customer experience, product development, segmentation and syndicated. Its syndicated products, known as Cogent Reports, help clients understand the market environment, explore industry trends and evaluate and monitor their brand and products within the competitive landscape. Founded in 1989, Market Strategies is one of the largest market research firms in the world, with offices in the US, Canada and China. Read Market Strategies' blog at [FreshMR](#), and follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#).