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Digital Demands of High Net Worth Individuals Signal Flight Risk for Firms That Fall Behind: World Wealth Report 2014

*High Net Worth Individuals Across All Ages, Wealth Levels and Geographies
Expect More Digital Capability from Their Wealth Management Firms In Five Years*

Toronto, Paris, June 18, 2014 – Digital has become the pressing mandate for meeting client expectations, reducing flight risks and increasing profitability in the wealth management industry, finds the [World Wealth Report 2014](#) (WWR), released today by [Capgemini](#) and [RBC Wealth Management](#). The report's Global HNW Insights Survey¹ found that nearly two-thirds of the world's High Net Worth Individuals (HNWIs)² expect to manage most or all of their wealth relationship digitally in five years and would consider leaving their current firm if an integrated channel experience is not provided.

HNWIs across all geographies are demanding digital capabilities from firms, led by those in emerging markets. Eighty-two percent of HNWIs in Asia-Pacific (excluding Japan), 74 percent of those in Middle East and Africa and 70 percent of those in Latin America expect that the majority or all of their wealth management relationships will be run digitally in five years. North American HNWIs have the lowest demand with just over half (58 percent) expecting a primarily digital wealth management relationship in five years.

Digital demands shatter some long-held beliefs

Long-held beliefs that digital is only for the young, less-wealthy or self-directed have been shattered as HNWIs expressed their digital preferences in this year's survey.

- **Wealth:** Even the wealthiest HNWIs are demanding digital, with over half (55 percent) of those with over US\$20 million in investable assets and three-quarters (74 percent) of those with US\$ 10-20 million expecting a largely digital wealth management relationship in five years.

¹ Capgemini, RBC Wealth Management, and Scorpio Partnership Global HNW Insights Survey 2014

² HNWIs are defined as those having investable assets of US\$1 million or more, excluding primary residence, collectibles, consumables, and consumer durables

- **Age:** While demand is highest among HNWI's under 40, older HNWI's are also demanding digital: 57 percent of those over 40 would consider leaving their firm if an integrated experience is not provided (compared to 80 percent of under 40s).
- **Need for advice:** It is not just self-directed HNWI's who are seeking digital capabilities from firms. More than half (57 percent) of HNWI's who seek professional advice expect their wealth management relationship to be primarily run digitally in five years (compared to 78 percent of self-directed HNWI's).

“Demands for digital capabilities know no boundaries when it comes to age, wealth, or geography. Clients want their touch points with wealth management firms to be seamless and fully-integrated every time,” said [Jean Lassignardie](#), Chief Sales and Marketing Officer, Capgemini Global Financial Services. *“These latest World Wealth Report findings reinforce the importance of recognizing digital as a truly disruptive force in the wealth management industry, requiring firms to adapt their business models to meet client expectations.”*

Digital capabilities that inform or enable transactions most important for HNWI's

Globally, HNWI's prioritize digital interactions that either keep them informed or enable transactions. HNWI's place more importance on accessing information such as portfolio updates or investment research via websites than through in-person or phone meetings. Online capabilities are also favored when it comes to executing transactions, a preference led by those in North America and Asia-Pacific (excluding Japan). In fact, about two-thirds of HNWI's would consider switching firms due to shortcomings in executing transactions or transferring money between accounts.

HNWI preferences become more personal, shifting to face-to-face and phone interactions when it comes to engaging with their wealth managers, particularly for advice. However, the WWR notes that this is likely to change given a high demand for digital capabilities from HNWI's under 40 across all types of interactions with firms, including twice the demand for mobile, video and social media capabilities compared to their over 40 counterparts. This heightened demand puts increased pressure on firms to adopt a digital mindset as younger HNWI's acquire greater wealth and prominence.

“Digital capabilities offer significant opportunities for wealth management firms to enhance their relationships with clients”, said M. George Lewis, Group Head, RBC Wealth Management & RBC Insurance. *“Firms need to view digital as being essential to delivering a seamless and integrated client experience, and prioritize their investments based on how clients want to engage with their wealth managers and the firm. We have seen firsthand the growing interest in digital capabilities and continue to identify opportunities to incorporate digital technologies that contribute to the client-wealth manager relationship.”*

Firms need to shift their mindset and engrain digital throughout the client experience

To remain competitive in the future and to fully capitalize on all that digital has to offer to wealth management firms and their clients, firms need to adopt a transformative mindset that engrains digital throughout their interactions with clients. Forward thinking firms will recognize that having advanced digital capability is not optional and will focus on building a digital vision that adapts to how HNWI's want to interact.

Firms that successfully make this digital transformation can deepen client relationships, reduce administrative tasks for wealth managers, drive significant savings, build a reputation as a forward-thinking firm, and ultimately improve the client experience, and boost client retention.

The World Wealth Report 2014

The World Wealth Report from Capgemini and RBC Wealth Management is the industry-leading benchmark for tracking high net worth individuals (HNWI's), their wealth, and the global and economic conditions that drive change in the Wealth Management industry. This year's 18th annual edition includes findings from the most in-depth primary research works available on global HNWI perspectives and behavior. Based on responses from over 4,500 High Net Worth Individuals across 23 countries, the Global HNWI Insights Survey explores HNWI confidence levels, asset allocation decisions, perspectives on driving social impact, as well as their wealth management advice and service preferences.

For more information, explore our new interactive website at www.worldwealthreport.com

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Connect with our wealth management experts in the Financial Services section of Capgemini Expert Connect at <http://www.capgemini.com/experts/financial-services>

The World Wealth Report 2014 and other Capgemini thought leadership is available for your iPad through Capgemini's Financial Services Insights app. Download it through iTunes at <https://itunes.apple.com/us/app/capgeminis-financial-services/id668885174?mt=8>

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*Scorpio Partnership Global Private Banking KPI Benchmark 2013. In the United States, securities are offered through RBC Wealth Management, a division of RBC Capital Markets, LLC, a wholly owned subsidiary of Royal Bank of Canada. Member NYSE/FINRA/SIPC.