

# **Marketing for Newly Wealthy Clients: Targeting the Mass Affluent**

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The mass affluent with net financial assets worth 100 to 500 million yen will attract increased attention in the future in the market of wealthy clients in Japan. Among these wealthy clients, approaches by financial institutions are not being adequately made to the “suddenly rich” who have become abruptly rich through inheritance.

If the “suddenly rich” are compared with the “long-standing rich,” they generally lack the knowledge and experience concerning investments and human contacts to consult regarding asset management. However, Japanese financial institutions have focused on private banking services for the super rich with net financial assets totaling 500 million yen or more and they have mostly used sales techniques that unilaterally recommend the products of their own companies. Consequently, these institutions have not been able to adequately meet the needs of the “suddenly rich.”

What is first required to obtain the trust of the “suddenly rich” is to create and provide “venues where it is possible to talk about money.” After providing such venues, service should be provided from the client perspective independently from the product developing side to meet extensive needs ranging from finance, real estate and inheritance to business. If such an “independent one-stop agent” emerges, it would be possible to maintain and expand relationships with high net worth individuals (HNWIs) over many generations.

# I Mass Affluent Clients Attracting Increased Attention

In light of the matured economy of Japan, accelerated trends towards fewer children and aging society and changes in people’s thinking about savings and consumption, the overall “pie” of personal financial assets may not expand as it did in the past. Under such circumstances, it may become more important for financial institutions to acquire and retain clients who have more financial assets than the average standard. With the progress in deregulation of the financial industry, the “scuffle” for acquiring HNWI’s (high net worth individuals) is becoming increasingly more intense.

In this paper, the wealthy class is defined as “the class of householders owning net financial assets worth 100 million yen or more” (net financial assets mean the total amount obtained by deducting debts such as a housing loan from financial assets owned excluding real estate, such as land and buildings). When we discuss individuals who belong to the wealthy class, we refer to them as HNWI’s or wealthy people/clients.

## 1 The Super Rich and the Mass Affluent in Japan

According to the projections of Nomura Research Institute (NRI), as of 2003, the wealthy class in Japan consists of about 780,000 households. Of these, the super rich having net financial assets worth 500 million yen or more consists of about 60,000 households and the mass affluent having net financial assets worth 100 to 500 million yen consists of about 720,000 households (Figure 1).

Many of Japan’s super rich are entrepreneurs who started business and conducted an IPO (initial public

offering) and their families. In contrast, the mass affluent exhibit a variety of attributes. In addition to cases where assets were built by individuals alone, there are many cases in which assets were acquired through inheritance from parents and/or spouses.

Many financial institutions such as securities companies and private banks have made overtures to the super rich for many years. This was made possible because it is relatively easy to identify the super rich. However, in the case of mass affluent individuals, financial institutions are not necessarily fully able to identify individuals who belong to this category. The reasons for this include the large number of mass affluent people; the period after which a person has become wealthy is generally short; and difficulty in understanding the path by which a person has become rich.

For example, if an entrepreneur becomes super rich through an IPO, all financial institutions will quickly know that fact. However, it is considerably difficult for financial institutions to learn that a salaried employee completed paying off a housing loan and has come to own net financial assets worth 100 million yen through an inheritance and by receiving a retirement allowance.

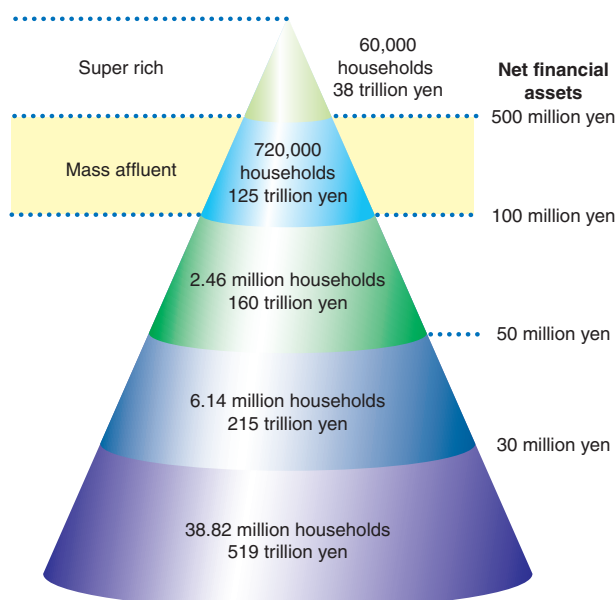
## 2 Appeal of the Mass Affluent

For financial institutions, the mass affluent with net financial assets worth 100 – 500 million yen have many appealing features.

First, the number of such mass affluent people is expected to increase in the future.

According to NRI’s projections, a domestic inheritance market totaling about 80 trillion yen annually (including real estate) will emerge in the next ten plus years. Many wealthy people produced through inheritance will become the mass affluent (rather than the super rich).

**Figure 1. Distribution of Personal Financial Assets (Fiscal 2003)**



**[Method of estimation]**

- With respect to the wealthy class with financial assets worth 100 million yen or more, the figures were calculated based on the amounts of financial assets indicated in “Statistics by Type of Inherited Property,” the National Tax Agency and by applying the estimated mortality rate.
- The estimated mortality rate is based on “Vital Statistics,” the Ministry of Health, Labor and Welfare.
- Recent trends of increasing newly rich who built up a fortune during a lifetime, such as entrepreneurs who sold assets such as land and/or conducted an IPO (initial public offering) and their families are not included.
- With respect to the classes with assets of less than 100 million yen, calculations were based on the “questionnaire survey of 10,000 consumers” by NRI and by using the composition ratio of the number of households by the class of financial assets indicated in the “survey of actual consumption conditions (household assets)” by the Ministry of Internal Affairs and Communications.
- Necessary revisions were made in consideration of compatibility with personal financial assets in the “Flow of Funds Accounts (FFA),” the Bank of Japan.
- Personal financial assets indicated here do not include financial products that are not generally recognized as financial assets by individuals (e.g., pension reserves).

**Table 1. Changes in the Super Rich and the Mass Affluent**

(Unit: 1,000 households)

	1997	2000	2003	Percentage change 1997 – 2003
Super rich (net financial assets worth 500 million yen or more)	82	66	56	– 32%
Mass affluent (net financial assets worth 100 – 500 million yen)	804	769	720	– 10%
Total	886	835	775	– 12%

Note: See Figure 1 for estimate calculation.

Sources: Compiled based on “Vital Statistics,” the Ministry of Health, Labor and Welfare, and “Statistics by Type of Inherited Property,” the National Tax Agency, etc.

Second, with respect to mass affluent clients, there is a likelihood for a financial institution to occupy revenues from a client by making full use of original and creative ideas in providing services.

The fact that it is more difficult to find a mass affluent client than a super rich client means that it is possible to retain a client once the financial institution making the first approach can successfully provide services to the client. In contrast, because approaches by other companies to the super rich cannot be avoided, a financial institution must always be prepared for head-on competition against other companies.

Third, it is possible to create a business model in which the economies of scale function in favor of financial institutions.

In the case of the super rich, while the profitability of each client is high, each client must be treated on an individual basis. This makes it difficult to evolve services extensively through service standardization.

In the case of the mass affluent, while it is naturally required for a financial institution to provide more attentive services to these clients on an individual basis than to the general public, it is possible to somehow standardize the services. What is required of a sales representative of a financial institution is to consider how to combine standardized services to meet the needs of the client. Because of this, economy of scale can work far more easily than in approaching the super rich.

As such, mass affluent clients have a wide variety of attractive features. Accordingly, the mass affluent market merits considerable attention when a financial institution establishes its strategy for individual clients.

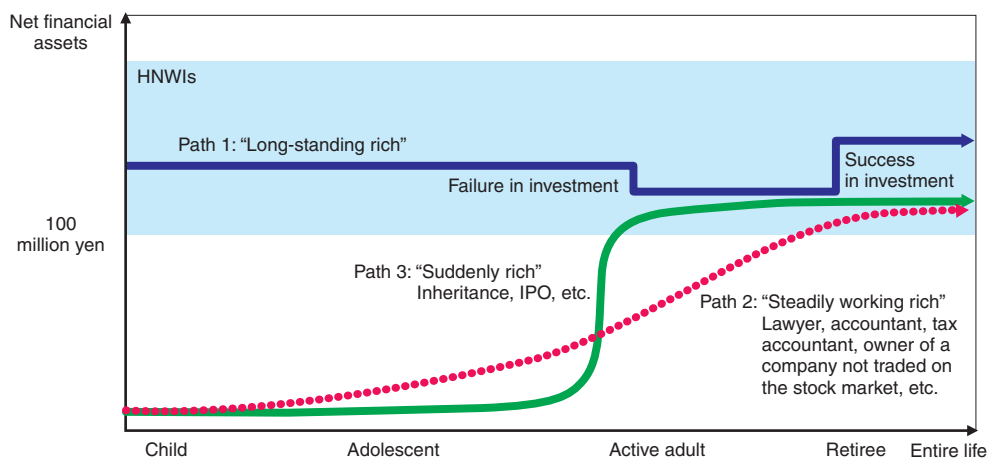
## II Differing Needs and Behaviors among HNWI

In order to approach HNWI, a financial institution must accurately understand their needs and behaviors. In particular, the needs and behaviors of mass affluent clients whose numbers are expected to increase in the future may differ from those of conventional wealthy clients. Accordingly, caution is required because approaching based on predetermined expectations or prejudices might result in wrong responses to their actual needs.

### 1 Three Paths to Becoming a HNWI

The important point in understanding the needs and behaviors of the mass affluent is “how their wealth was generated.” If the process of building up financial assets differs, various attributes such as value judgments about money, knowledge of investing and human connections vary substantially. If these processes are broadly classified, there are three paths to becoming a HNWI (Figure 2).

**Figure 2. Three Paths to Becoming a HNWI**



The first path relates to the “long-standing rich.” HNWI’s falling under this category were generally raised in an environment since their birth where it is natural to be wealthy because the family has been rich from generation to generation or an enterprise was started in the grandparents’ generation.

In Japan, there are not many traditionally rich families as partly influenced by the post-war super inflation and taxation on assets. The generation of grandchildren of people who began enterprises in Tokyo by moving from rural areas during the pre- and post-war periods constitutes the mainstream of the current “long-standing rich” stratum. In this sense, the situation differs from Europe where wealthy families of several generations constitute the core of the wealthy stratum.

Interviews conducted by NRI with wealthy people revealed a favorable circle in which, if the generation of parents and/or of grandparents were self-employed and rich, the generation of children can increase the assets or start an enterprise without any burdens such as a housing loan because land and/or housing is already available and they can further increase their assets. While there may be cases in which generations of children run through their fortunes in idleness, one of the features of the “long-standing rich” is that they have underlying assets and surpluses to increase their assets further.

The second path concerns the “steadily working rich.” Cases falling under this category are, for example, those in which a licensed tax accountant builds up his assets in a single generation through steadfast work.

In Japan, people who can accumulate assets under this path are limited to professionals such as medical doctors, lawyers, certified public accountants and licensed tax accountants and some other occupations such as owners of companies not traded on the stock market. Moreover, except for so-called celebrities such as well-known athletes and popular entertainers, people in this category rarely reach the category of the super rich with financial assets worth 500 million yen or more. Most people in this category remain the mass affluent.

The third path involves the “suddenly rich.” People falling in this category join the wealthy stratum by sharply increasing their financial assets at a single stroke such as through inheritance, receiving retirement allowances, an IPO, stock options, etc.

Marrying someone who is wealthy also falls under this category. Among the “suddenly rich,” an entrepreneur who sells shares through an IPO could join the super rich group. However, most people who received retirement allowances or exercised stock options remain the mass affluent.

In the case of the “suddenly rich,” because the extent of a change in living is significant and is hard to discover, the probability that such a person has a long-term relationship with a certain financial institution is low. Accordingly, financial institutions should give priority to

this group of the “suddenly rich” as a target group in acquiring new mass affluent clients.

## 2 Differences between the “Long-Standing Rich” and the “Suddenly Rich”

To highlight the features of the needs and behaviors of the mass affluent, the following section compares the “long-standing rich” with the “suddenly rich.”

There are no major differences between the two groups in terms of thinking about asset management. Whether one belongs to the “long-standing rich” group, some people are active in making investments and some are not. Furthermore, some people are nervous about not reducing their assets while others do not care so much. Accordingly, it is difficult for financial institutions to apply mass marketing techniques such as segmenting clients according to investment needs, hobbies and interests. Rather, individual responses are considered far more efficient.

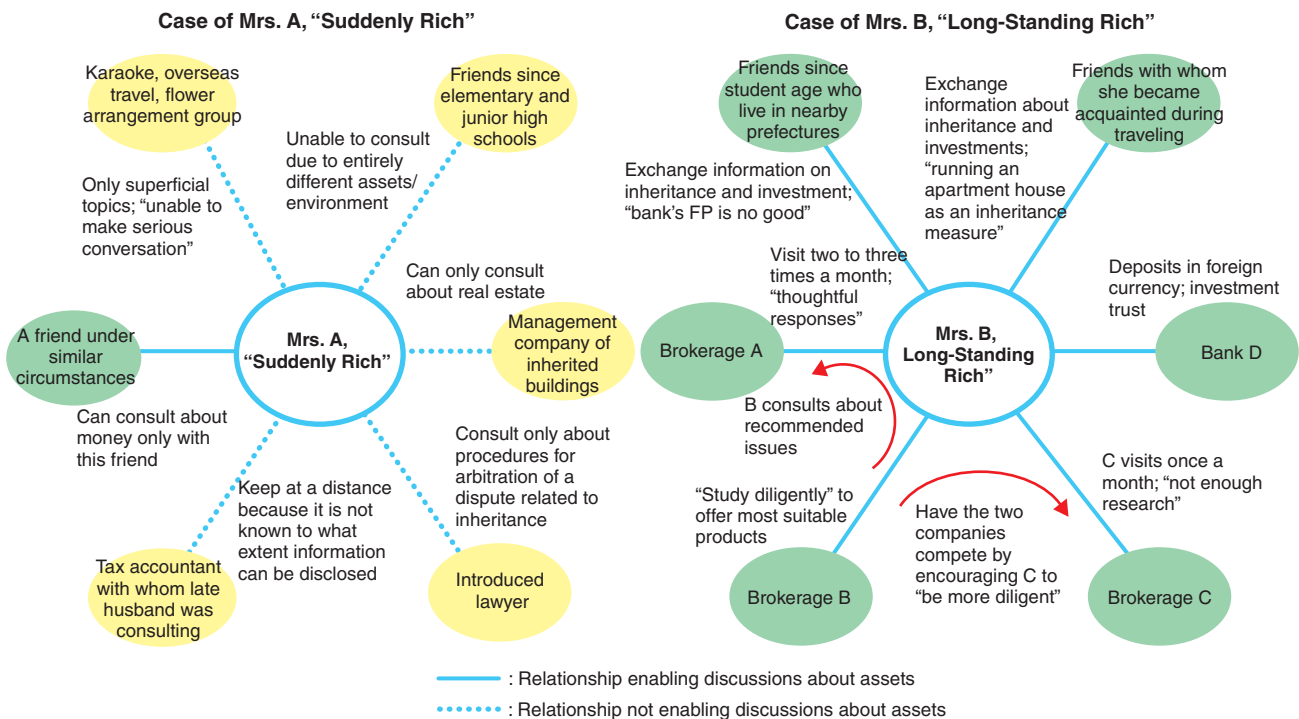
However, with respect to “human relations assets,” such as human connections and participating communities, a significant difference is seen between the “long-standing rich” and the “suddenly rich.” The following section uses a specific example to make this comparison (Figure 3).

Mrs. A is a homemaker in her sixties. Her husband who was operating a real estate company passed away several months ago. She has three daughters, all in their thirties. Mrs. A was raised in a family of a diligent public servant and, after marriage, left the management of assets up to her husband. Suddenly, after the death of her husband, she was put in a situation where she had to personally manage financial assets totaling nearly 300 million yen, and is in total bewilderment. She is a typical example of the “suddenly rich” group.

Mrs. A has followed the procedures for inheritance by consulting a certified tax accountant with whom her husband had a 30-year relationship, a notary public, a lawyer, a real estate company, etc. However, because Mrs. A herself has not had direct contact with these people in the past, she is wondering to what extent information can be disclosed.

Mrs. A is active in hobbies and recreational activities, and has frequently participated in dance, *karaoke* and travel groups. However, the conversation she has within these groups is confined to topics related to her hobbies and everyday matters. She has no one with whom she can talk about her assets. Her living standard was too different from her friends since her childhood to talk about personal financial assets. She has only one friend with whom she can talk about money. Mrs. A’s family and this friend’s family have known each other since long before the death of her husband. This friend lost her husband before Mrs. A’s husband died, and similarly inherited her husband’s property. In other words, the only person with whom she can

**Figure 3. Differences in “Human Relations Assets” between the “Suddenly Rich” and the “Long-Standing Rich”**



Notes: (1) Interviews were made with mass affluent people having net financial assets totaling 100 to 500 million yen in May and June 2004. (2) FP = financial planner.  
 Source: NRI, “Interviews with Wealthy People.”

discuss her assets is the friend who is in similar circumstances.

While some financial institutions would approach Mrs. A with an eye on her financial assets, there are no financial institutions that provide advice on asset management as a whole by considering her situation sincerely and attentively.

Mrs. B who is a homemaker in her fifties was raised in a wealthy family. Both she and her husband grew up in families where their parents inherited businesses started by their grandparents. This means that she is a member of the “long-standing rich” group. Her two daughters have already become independent. They live with their husbands who operate their own companies in high-class residential areas in Tokyo.

Mrs. B has ample human contacts. She has remained associated with friends since she attended private prestigious schools from elementary school to university, and has frequently traveled with them. Because all of these friends are also wealthy people, she can talk about anything including money matters, and frequently learns useful information. Moreover, as sales representatives of brokerage firms often visit her home, she uses several companies whose sales representatives provide satisfactory service for different purposes. While Mrs. B is active in making investments, she decides her investment products based on the information provided by the sales representatives of brokerage firms, rather than gathering information by herself.

In the case of Mrs. B, who is a member of the “long-standing rich” group, in addition to plentiful “human

relations assets,” a mechanism has already been established in which information on asset management flows through such human contacts. It would be desirable for someone wealthy like Mrs. B to receive highly professional advice from multiple financial institutions according to the content of the assets to be managed, rather than receiving advice from a single financial institution on asset management as a whole.

### 3 Limited Investment Knowledge and Inadequate Contacts of the “Suddenly Rich”

The “suddenly rich” are generally short of knowledge and experience concerning investment, although this depends on one’s occupation and status to date and one’s awareness. Suddenly placed in a position to manage financial assets exceeding 100 million yen, one may be puzzled and confused by acknowledging that he/she lacks the necessary experience and knowledge. As possible investment behaviors, one may study and conduct one’s own asset management and investment. Alternatively, one may find reliable persons from among tax accountants, financial institutions, families and friends.

What hinders these investment behaviors is the shortage of “human relations assets” such as human contacts and participating communities. Unlike the “long-standing rich,” the “suddenly rich” do not have human networks of wealthy people from the beginning, and have not actively engaged in investment activities. Accordingly, they do not have a sufficient number of

friends and acquaintances to consult, and the existing network of financial institutions and tax accountants does not easily expand. In addition, because of the bewilderment caused by suddenly having a large amount of financial assets, they are sometimes unable to calm down enough to find new, reliable advisors. Under these circumstances, the suddenly rich have high potential to come to ask a financial institution on a one-stop basis for advice concerning asset management.

In sum, in order to acquire mass affluent clients whose number is expected to increase in the future, in particular, “suddenly rich” clients, approaches in which financial services are provided on a one-stop basis would be effective in consideration of their shortage of “human relations assets.”

### III Issues for Financial Institutions

Turning our eyes toward the responses made so far by financial institutions to the “suddenly rich,” we find that, in most cases, they have simply been waiting for visits by these customers to their office counters, or they have been limited to unilaterally recommending the products that they represent.

#### 1 Private Banks and Mass Marketing

In the past, Japan’s financial institutions, banks in particular, did not think it appropriate to select customers and provide differentiated services. While many banks now provide targeted services and are moving toward differentiating services in pursuit of customers having high lifetime values, these measures nevertheless represent part of mass marketing efforts and consist chiefly of standardized services such as those that provide a prescribed discount on transfer handling fees with a prescribed amount of points. Systems that can provide advice for highly individualized and complicated issues, such as inheritance, are not yet fully established.

“Private banking services” provided by major financial institutions are only being offered to a limited number of super rich clients. It was only less than ten years ago, when Citibank started private bank marketing on a full-scale basis, that competition among major financial institutions in Japan in acquiring super rich clients intensified for the first time. Subsequently, during the period of the IT bubble, the number of entrepreneurs who acquired large profits from the sales of shares increased, and the value of their assets increased sharply. By targeting them, foreign and Japanese wholesale securities companies started to strengthen their private banking services.

However, there are only a limited number of cases where financial institutions have continued to offer actu-

ally needed products and services to the “suddenly rich.” Bluntly speaking, only testamentary trusts set up by trust banks can be considered such a service.

#### 2 Uncommon Trust Services

A testamentary trust is a contract between an individual having assets and a trust bank concerning the execution of a written will. When the individual dies, the trust bank distributes the property left by the decedent according to the written will.

Testamentary trusts are not yet common in Japan. Only 64,000 attested wills were written in 2003. The annual number of new testamentary trust contracts with trust banks is thought to be 5,000 or fewer. As a result, the total number of outstanding testamentary trust contracts in the industry as a whole is slightly less than 42,000 (as of the end of 2003).

In Europe and the United States, testamentary trusts are conducted extensively. A third party, frequently a lawyer (called the “executor”), is designated before one’s death for the execution of a will, and this third party carries out the provisions of the will, which principally consist of distributing the assets of the decedent to heirs.

However, in Japan, provisions for trusts have been stipulated in detail by the Trust Business Law in addition to the Trust Law, and this service can practically only be provided by banks that operate trust businesses (generally, trust banks). The number of sales offices of trust banks is quite small as compared to the number of city and regional bank offices. (The handling of testamentary trusts by trust agencies was permitted through the passage of an amendment to the Trust Business Act.) Only during the past several years have trust banks become aware of the product features of testamentary trusts and the high lifetime value of the clients (HNWIs in many cases) that can be derived from such products. Such banks have now started to vigorously promote sales of these products.

Consequently, setting up trust accounts as part of a will has been a service that was not well known among wealthy people. The number of wealthy people writing notarized wills is also limited. Interviews conducted by NRI with HNWIs revealed the following responses: “while I am grateful that the decedent left me many assets in a will, most of these assets consist of shares and I am at a loss as to what to do because I have no idea about how to deal with these shares appropriately” and “although my deceased father wrote instructions to waive my elder sister’s inheritance, it was found that such a waiver is legally invalid. I (younger brother) had difficulties as I had to undergo an arbitration process in court against my sister concerning the inheritance.”

While still alive, many wealthy people desire that all the assets that they built up will be divided among their children effectively, and that such assets will be skillfully

managed and utilized for many years to come. However, because they did not think of writing a will and establishing a testamentary trust contract for appropriate execution of such a will, their inheritance might result in a dispute among their heirs or the bewilderment of an heir. While this means a loss of business opportunities for financial institutions, it is also unfortunate for the decedents and their heirs.

### 3 Banks and Securities Companies Resting on Their Laurels

In the past, Japan's banks and securities companies made 70 to 80 percent of all their profits from individual transactions with 10 to 20 percent of their clients under circumstances firmly set up by regulations. Accordingly, the institutions did not feel the need to take measures that might result in reducing their margins by providing especially careful and attentive services to HNWI's. In the midst of the competition in acquiring super rich clients that was triggered through the participation of European and American financial institutions, the domestic institutions inaugurated private banking services simply to catch up with such foreign financial institutions.

## IV Strategy to Acquire the "Suddenly Rich"

According to NRI's analysis, the "suddenly rich" are generally short of knowledge and experience concerning asset management, as discussed in Chapter II. Nevertheless, they are required to manage financial assets exceeding 100 million yen, and are worried and confused as they realize that they lack the necessary experience and fundamental knowledge. Furthermore, in many cases, the "suddenly rich" have no one to consult about the management of their assets. From the beginning, they did not have a human network of wealthy people, and did not actively engage in investment activities. While they might have contacts with financial institutions and tax accountants, they do not know how to best utilize them. Partly because of the bewilderment caused by suddenly having sizeable financial assets, they are often unable to find reliable persons to consult from among their acquaintances. This is the actual situation of people who have become the "suddenly rich."

These "suddenly rich" people need someone to consult regarding asset management. Once they feel that they have found someone reliable, they tend to completely rely on such a person. However, because they lack experience and knowledge concerning asset management, they tend to take a defensive attitude against financial institutions. If an approach is taken such as that of a sales representative who makes a visit with a

branch manager in a flurry after learning of the increase in assets, the trust of the "suddenly rich" cannot be obtained. Conversely, they might be wary of such an approach.

### 1 Early Continuous Approach and Pull-to-Push Switch

The keys to success in gaining the trust of the "suddenly rich" include: (1) early and (2) continuous approaches by means of the "pull" technique, and (3) using both the "pull" and "push" approaches. The following section explains each of these keys.

#### (1) An approach from an early stage

An experimental approach from an early stage before one becomes "suddenly rich" has been taken by some financial institutions. For example, Mizuho Bank, the Sumitomo Trust & Banking Co. and Shinsei Bank have provided exclusive booths and lounges for consultation about asset management for their customers who have deposited assets totaling 10 million yen or more. The banks are also offering preferential treatment to these customers in terms of the interest rates of time deposits and housing loans. Foreign banks and major securities companies frequently hold seminars for people who are interested in asset management/investment and taxation. In particular, the number of asset management/investment seminars exclusively for baby boomers and female customers is increasing.

Behind these moves, the strategy of building a relationship before one becomes "suddenly rich" can be seen, separately from the full-scale private banking services targeting clients with deposited assets totaling 200 to 300 million yen. The pull approach that uses channels such as branches, call centers, advertisements and other media constitutes the core of such strategy. The clients who will become the "suddenly rich" often do not identify themselves as such. Many of them consider that the branches of financial institutions are merely venues for purchasing financial products, and do not look upon them as venues for "consulting" or "learning about asset management." Accordingly, it is necessary to raise their awareness of these offices as "venues for consultation" by means of various advertising.

#### (2) Continuous approach

An approach from an early stage should lead to opportunities enabling "continuing dialog" with clients, rather than ending with a single approach. In the case of a seminar, for example, efforts should be made to provide several consecutive seminars, rather than offering a single seminar. Specifically, it would be ideal to offer a mechanism enabling participants to actually experience portfolio analysis and/or the simulation of asset management/investment. A dialog-type mechanism could also be offered on a website in which comments are individually

exchanged concerning simulations of asset management/investment offered by a financial institution.

Through these efforts, client trust should be fostered so the financial institution is looked upon as a “reliable partner to consult.” At this stage, continuous contacts through the use of accumulated data on contacts with a client will further increase the reliability of the financial institution as an organization.

### (3) From the pull to push approach

If contact with a financial institution is started by the pull approach, i.e., spontaneous approach to the financial institution from the client, it is easier for the client to accept a push-type approach such as a visit by a representative of the institution. A push approach is essential to strengthen the reliability of the relationship with the client. Based on such a reliable relationship, a position can be established where consultation is made promptly whenever the client retires or receives an inheritance.

## 2 Establishing the Japanese-Version PB Model

Although the “suddenly rich” desire to receive advice on asset management/investment from reliable financial advisors, they are reluctant to disclose all of their assets to a financial institution. While some HNWI with abundant experience in asset management/investment make their own selections and invest in highly risky financial products, others do not usually engage in such investment activities. Accordingly, Japan’s financial institutions must examine the Japanese version of a private bank based on such financial behaviors common to many HNWI in Japan.

We think that there are three requirements in establishing the Japanese-version private bank model: (1) developing independent service brands for HNWI, (2) visualizing consultation and advice as services and (3) establishing operations and infrastructure suitable for services to the mass affluent.

### (1) Developing independent service brands for HNWI

Whether the methodology is proper or not, the private banking service formerly provided by Citibank represents the first case in Japan where a service brand was established for HNWI. In contrast, major banks and securities companies are bound by fixed recognition based on existing transactions such as the “bank from which funds were provided,” the “bank that made our housing loan” or the “brokerage through which stocks are traded.” This makes it difficult to build a brand as an “institution with which HNWI consult on the management and investment of personal assets.

Building such a new service brand targeting HNWI requires giving wealthy individuals the impression that the new service is clearly different from existing ser-

vices. In the case of Citibank, HNWI were successfully acquired by spreading the “private bank” service brand, in addition to the corporate brand of “Citibank.” Japanese financial institutions should also promptly establish original service brands for HNWI that are different from those for mass clients.

### (2) Visualizing consultation and advice as services

It has been said that it is difficult to obtain fees for providing consultation and advice in Japan. However, as stated above, many of the “suddenly rich” are seeking reliable partners to consult, and the number of such people who want such service even by paying fees is increasing. At some securities companies, the number of separately managed accounts (SMAs) and wrap accounts has been increasing rapidly. Similarly, the number of clients is also increasing with respect to the trust provided to individuals by trust banks. With the progress in the popularization of financial trades through the Internet such as net securities and net banks, it appears that many clients have started to recognize the added value in the consultation and advice that has been provided by sales representatives.

In order to obtain compensation for consultation and advice, it is essential to provide service in a form such that the added value of the service is visualized. Items that must be explicitly presented to clients include the service provision method, service standard and concept of compensation.

### (3) Establishing operations and infrastructure suitable for services to the mass affluent

The Japanese-version private bank model principally consisting of services for the mass affluent requires operations and infrastructure that are different from those for mass retail services or services for the super rich. Compared to mass retail services, because the products handled are sophisticated and diverse, complicated procedures are required for product make-up and stocking, clerical work, compliance, etc. Furthermore, what is required for this purpose includes expertise to quickly create and provide small lots of leading-edge large-scale products such as those provided to the super rich as well as the mechanism to support such activities. In addition, a variety of information and IT tools are required to provide complex advice efficiently.

## 3 Acquiring Expertise through Alliances

The floating of assets owned by HNWI due to retirement and inheritances involving baby boomers is imminent. This situation provides an excellent opportunity for financial institutions to establish services targeting HNWI. However, it appears that there are only a limited number of financial institutions that can develop the Japanese-version private bank model on their own that meets all three requirements outlined above.

Financial institutions that already have many wealthy clients but are short of expertise in developing services targeting HNWI should pursue the direction of receiving OEM supplies from other companies concerning the provision of products and advice. In order to win the competition within the limited time available, after carefully and objectively analyzing its own resources, a bank/firm must develop a concept focused on quick action such as procuring the lacking functions to complete the Japanese-version private bank model from the outside.

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