

Bessemer Most Admired Brand Among Wealthy

By Jay Cooper

Published on June 15, 2005 by Fundfire.com

Bessemer Trust has the best reputation for delivering superior quality to high-net-worth individuals, according to a survey from the Luxury Institute. Goldman Sachs and Neuberger Berman also received high ratings, while clients' perception of Morgan Stanley Private Wealth Management took a hit over the past year. Industry analysts say a more consistent marketing message and greater focus on relationships could help other firms rise to the top in clients' minds.

Bessemer Trust was viewed as the manager delivering consistently superior quality, followed by Goldman Sachs and Neuberger Berman. Bessemer also topped other categories, including most exclusive and unique brand, the main brand that is used by other high-net-worth families who are "admired and respected," the brand that delivers a special customer experience and the wealth management brand most worthy of a price

premium, according to the survey of more than 400 high-net-worth clients. In all of those other categories, the runners-up were Goldman and Deutsche Bank Private Wealth Management.

The Institute interviewed potential high-net-worth clients whose average annual income is \$1.1 million and average net worth is \$17.2 million. The survey rated 30 of the largest U.S. wealth managers. Respondents only rated the firms they were familiar with.

Bessemer also topped other categories, including most exclusive and unique brand...

"What we wanted to know is what is the status of the brands? From the wealthy families' perspective, what is the perception of that brand," says Milton Pedraza, the CEO of the Luxury Institute. The survey is not a customer satisfaction survey, he adds.

Some wealth management firms' brands are heading in different directions. The public perception of Neuberger Berman is on the rise. About 12% of individuals familiar with the Neuberger brand say that in the past 12 months that brand has "dramatically or strongly increased its status as a premier brand." Neuberger Berman's rise in public perception comes after Lehman Brothers purchased the firm nearly two years ago.

Nearly 13% of individuals familiar with Morgan Stanley say the manager's status as a premier brand has dramatically or strongly decreased. "There was some clear and measurable erosion in Morgan Stanley's brand status in the past 12 months with wealthy consumers given the adverse publicity the company has had," Pedraza says. While its status has slipped following the troubles that led Morgan Stanley CEO Philip Purcell to resign, Pedraza notes that Morgan Stanley

still ranked 15th out of the 30 managers in its perceived ability to deliver superior quality.

Pedraza predicts the perception of Morgan Stanley will improve after it names a new CEO. “Morgan Stanley is one of the treasures of the financial services industry. It’s hard to kill a good brand,” he says.

Bessemer Trust’s senior managing director, Rob Elliott, says a low client-to-staff ratio and a long history of serving high-net-worth families led to its strong reputation among wealthy families. “We have the best client to staff ratio in the industry,” Elliott claims. At Bessemer he says a team of three individuals will work with 50 clients, where some bank trust departments may have a team of just two people working with anywhere from 75 to 200 clients.

The firm also focuses on delivering “comprehensive wealth management,” not just managing assets, Elliott says. He believes offer-

ing services such as tax and estate planning, private banking, insurance analysis and philanthropic analysis have helped improve Bessemer’s reputation. “We’re always maintaining a relationship focus, not a product focus,” he says.

Other firms have put gaining assets ahead of maintaining a relationship and that could hurt their perception among high-net-worth families, says Jane Abitanta, a principal with the consultancy Perceval

“We have the best client to staff ratio in the industry.”

Associates. She says some wealth management firms have too short of a time horizon for growing their business. “The pressure for returns and to get revenue in this business is high. When that outweighs building a relationship with a client so you can get to what the client really needs that’s a problem.”

She adds that Bessemer, Goldman and Neuberger have

benefited from consistent marketing. “Their message has been consistent in terms of who they are, who they sell to and how they sell. Some of the big banks have wavered here and there,” she says.

Other firms included in the survey were Bank of America Private Bank, Bank of New York Private Client Services, Charles Schwab, Citigroup Private Bank, Credit Suisse, First Boston Private Client, Deutsche Bank Alex, Brown, Fidelity Investments, Harris Private Bank, HSBC, JP Morgan Private Bank, Lehman Brothers, Mellon Financial Corporation, Merrill Lynch, National City Private Client, Group, Northern Trust, PNC Advisers, Smith Barney, SunTrust Banks, U.S. Bank Private Client Group, U.S. Trust, UBS Wealth Management, Wachovia Corporation, Wells Fargo Private Client Services, William Blair and Company, and Wilmington Trust.

fundfire.com