Should advisers continue to concentrate on providing a face-to-face service to clients or do they need to expand into online and telephone-based services?

Vic Jannels
AToM

The answer depends primarily on two factors - the perceived financial sophistication of the client and the business model of the broker.

If a client is financially aware then they will probably be content to act independently and research the market for themselves. The availability of any tools to assist even at a modest cost would seem attractive. However, the cost to the supplier in developing such services is unlikely to be recovered from the level and volume of fees directly generated.

Therefore the justification has to be different and will need to embrace the brokers' business model. For the majority though, some form of sensory contact whether face-to-face or a telephone call is essential to satisfy the need for reassurance in the decision making process. After all, there have been considerable amounts of resources committed towards treating the customer fairly.

The crux is in the manner in which the broker meets that requirement and to do that they need to know their customer. This means personal interaction and not the impersonal ether of cyberspace. No doubt both options will co-exist in the one market, appealing to different segments.