IPRO 303

Digital Technology Strategies for an Investment Manager

sponsored by
Calamos Investments

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Calamos Investments

- 1977: John P. Calamos, Sr. created an Investment Advisory firm.
- 1983: Nick Calamos, nephew of John Calamos joined the company.

Calamos:
- Manages different mutual and close-end funds
- Offers different investment strategies to private clients and institutional Investors.
Calamos Investments

- Revenues over $300 million in 2004
- Manages assets $40 of billion.
- Fall 2004 Initial Public Offering
- Traded on the Nasdaq National Market with company symbol CLMS.
- Calamos Growth Fund-Top Performing for the last 3 years- Forbes
The Calamos Problem:
Difficulty exists in developing a sense of intimacy between John & Nick Calamos and an increasing number of investors.

IPRO Team Objective:
Research how digital communication technologies can leverage the marketing efforts of John and Nick Calamos and pilot the most promising ideas.
Team Structure:

Digital Technology Analysis Subteam:
• Provide a digital communication technologies evaluation and forecast

Competitor Analysis Subteam:
• Evaluate client communication strategies of competitors

Website Analysis Subteam:
• Evaluate the websites of Calamos and its competitors as well as Webawards winners- suggest improvements for Calamos’ website.

Customer Analysis Subteam:
• Determine customer profile for HNWI - private investors
Calamos goals for Digital Communications Analysis

• Provide more effective communications with High Net Worth individuals and private investors

• Offer a sense of personal contact with John and Nick Calamos for HNW individuals

• Make more extensive use of the Calamos TV studio
Digital Technology domains

Networks
- WPAN
  - Bluetooth
  - IrDa
- WLAN
  - xDSL
  - Cable
- WWAN
  - 3G/WiFi/
  - WiMax

Mobile devices
- PDA
- Laptop
- Blackberry
- Mobile
  - Phone
- MP3
  - Player

Applications
- Syndicated
  - Content
- Business
  - Application
- Location
  - Services
- Messaging/
  - Notification
Wireless environment overview

Wireless Personal Area Networks (PAN)
• Infrared
• Bluetooth
• ZigBee
• Ultrawideband

Wireless Local Area Networks (LAN)
• WiFi

Wireless Wide Area Networks (WAN)
Wireless environment overview
Convergence of Mobile Devices

Cell Phone → PDA → Digital Media Player

Nokia N91

Ericsson Mobile Multimedia White Paper
Digital Technologies
Conclusions for Calamos

• The deployment of wireless networking technologies will provide seamless broadband coverage virtually everywhere.

• The convergence of mobile devices will allow for internet access over differing networks and the use of a wide array of applications.

• Applications that utilize broadband technology and that can run over mobile devices using audio and video will provide an interactive and personal experience for users.
Competitors Profiled in terms of Digital Technology use with customers

- **Gamco Investors, Inc.** (formerly Gabelli)
  - Webcasts, blogs
- **Pimco Bonds**
  - Market commentary, podcasts
- **Nuveen Investments**
  - Financial advisor’s section, subscription to horsesmouth
- **Fisher Investments**
  - Highly personal
- **Fidelity Investments**
  - Podcasts, easily navigable website, financial advisors section
Many Investment firms place voluminous content on website including:

- audio or video broadcasts
- written commentary to educate clients on investment strategy, outlook

Some companies provide

- personal home visits
- weekly phone calls

Many companies make the process of navigating and selecting mutual funds, type of account, extraordinarily simple online
Website Analysis

Analysis of different websites to determine best practices.

We will see:
• Which sites we chose and why
• The Aspects evaluated
• Some examples
Calamos’ competitors

PIMCO

Gamco Investors, Inc.

Nuveen Investments

Fisher Investments™
Webawards best fund managers websites

- Cohen & Steers
- Russell
- Wells Fargo Advantage Funds
- Tamarack Funds™
Aspects to be Evaluated

• Design
  • Graphical Layout
  • Overall Impression

• Structure
  • Content Layout & Navigation

• Functionality
  • Private Client Access
  • Multimedia Capabilities & new technologies
Main Results

• Almost every website tries to get more personal and close to the client using new technologies (Podcast, videos, blogs, etc.)

• That doesn’t mean the design is good. Some companies seem to give much more importance to their web presence than other.
HNW Investors fall under two different categories

Older 55+ HNWI

• Communication by phone, mail, in person
• No digital devices to communicate with their investment company
• Advertising: word-of-mouth and investing company events

Younger 25-55 HNWI

• Online services a lot
• Cutting edge technology devices
• More receptive to non-traditional ways of advertising
“Old Money” US Investors Demographics

In 1,421,500 households:

- Net worth $500,000-$1 Million
- 2nd largest group of wealthy consumers in US
- Mean age: 65, 25% retired
- Honolulu, HI, San Francisco, Santa Barbara, CA
- 62% have never completed college

American Demographics-Acxiom Personicx database
“Upper Crust” US Investors Demographics

In 2,229,000 households:
- Largest group of wealthy individuals
- NW $2 Million +
- Mean age: 53
- Stamford, CT, San Jose, San Francisco, CA
- 36% college degree,
- 45% have a graduate degree

American Demographics-Acxiom Personicx database
Next Steps for the IPRO team...

- Survey the HNW customers of Calamos Investments.

- Benchmark competitors performance from using digital communications technologies.

- Make recommendations and share ideas with the Calamos Web development team.

- Pilot new technologies like Podcasting.
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Thank you for listening...

• Any questions?