



## **IPRO 303**

**Podcasting, Market Research & Multimedia Pilots for  
Calamos Investments LLC**

**SPRING 2006**

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## **EXECUTIVE SUMMARY**

Calamos Investments provides professional money management services to major corporations, public and private institutions, pension funds, insurance companies and individuals and is an investment advisor to open-end and closed-end funds. The company was founded in 1977 by John Calamos. The company's cornerstone strategy is risk management. Calamos Investments underwent rapid growth, from managing \$5 billion in assets in 1999 to over \$45 in 2006. During this period, a lot of the personal touch that permeated the interaction between clients and the company's leadership was lost. The number of clients grew too quickly. A high level of personal interaction between John Calamos and its core investors became difficult to attain.

The IPRO 303 team attempted to digitally leverage John Calamos by researching and piloting new methods of customer interaction utilizing digital communication technologies.

## **THE TEAM STRUCTURE**

### **Customer Analysis Subteam**

This subteam was created to compose an image of the prototypical Calamos Investments Private Client Group customer. The subteam utilized market research reports from sources such as the Forrester, IBM, Claritas, and Spectrem research groups. This enabled the subteam to portray the habits, preferences, and desires of affluent individuals with respect to the use of digital communications technology and their finances. The customer analysis subteam provided hard evidence that the affluent are often quick to adopt new technology, such as broadband and e-mail.

### **Content Analysis Subteam**

To provide some further guidance on which technologies might be worth investigating, the Content Analysis Subteam studied the use of digital communications technology by other asset management firms who compete with Calamos Investments. Additionally, the Content Analysis Subteam was to suggest what types of content would provide Calamos Investments with the customer interaction that they desired. These tasks were accomplished by benchmarking the content offered and the technologies being pushed by direct competitors to Calamos Investments, as well as other industry leaders. Following analysis of this data, a 3-tiered content scheme was proposed utilizing a DVD, portable digital media player, and cell phone applications.

### **Digital Technologies Subteam**

The Digital Technologies Subteam researched the latest digital communications technologies. This involved intense research in the beginning of the semester to scan the

entire digital communications world for current mobile technology trends, followed by narrowing that field down to a handful that could realistically be adopted by Calamos Investments. Upon selecting the technologies to further pursue, the subteam created pilot demonstrations to show the capabilities of the selected technologies: the iPod and the Blackberry.

## **THE CUSTOMER RESEARCH**

### **Focus of Research**

The focus of our market research is on the affluent markets within the U.S. and in other major countries as well. Of the affluent markets, we investigated their behavior and preferences in using technology for communication particularly with financial services firms.

### **Global Research**

Affluent consumers characteristically try to anticipate future developments and like to stay ahead of the game when it comes to their investments. The same must also be said of their use of technology. Outside the U.S., the use of technology for communication is even more advanced where mobile voice and data communication has already become the standard in certain countries. Therefore, a much more personalized and integrated form of contact is rapidly becoming more available between the client and financial services. By looking at global consumer trends, both the investor and the financial advisor can be better prepared for international influence on their wealth management. Much more on the global affluent market is discussed in greater depth in our analysis report titled, "Report on the High Net Worth Outside the U.S." The global analysis report is available under a separate cover and has been prepared in conjunction with this report which discusses the U.S. affluent market.

### **The U.S. Affluent-Segmentation**

Research findings identify the U.S. affluent market as the most active online investors and consumers of technology. The affluent population, however, can be segmented in many ways including level of wealth, age, investing behavior, technology adoption, mobility, and the list goes on. With the research we have gathered, we have identified key trends in consumer behavior based on the topic of segmentation used.

### **The U.S. Affluent-Segmented by Age and Use of Media**

Consumer usage of traditional media, such as television and newspaper, increases with age. In contrast, usage of newer technologies, such as the Internet and mobile digital devices, decreases with age. As with online financial activity of the affluent, the age group of 40 to 69 are the most active segment. However, with Broadband access to the Internet among affluent users, the largest segment is from ages 25 to 39. Therefore, the

younger affluent population may be consuming more media and various services online while the older affluent segment, near or at retirement age, are more frequently engaged in online financial activities. Naturally, the greatest concentration of affluent wealth is also within this segment of investors as they have had more time and experience in accumulating wealth.

### **The U.S. Affluent-Convergence of Media and Technology**

Comparing major media channels such as television, Internet, radio, and the newspaper, television is currently the media most frequently used by the affluent, followed by the Internet. As use of mobile devices, such as the IPOD and web-enabled cell phones capable of playing video clips, is increasing, we can see how rapidly technology is converging. For example, it's now possible to watch TV anytime and anywhere at the touch of a finger. The convergence of TV media with mobile technology enables personalized delivery of media, enabling financial advisors like Calamos Investments to directly and automatically target their private client group no matter where they are.

### **The U.S. Affluent-The Need for Mobile Communication**

A majority of affluent investors online feel that the Internet affords them the convenience they need to be more efficient and informed, especially with online investing. Furthermore, many affluent investors travel frequently, spending a major portion of their day enroute. Due to constant mobility and the need to stay connected, the affluent individual must therefore rely on the convenience and efficiency of mobile online communication. Studies already show that more adults own and/or use some type of mobile device and that wireless usage increases with affluence, but decreases with age.

### **The U.S. Affluent-Technographic Segmentation**

In order to investigate and understand how consumer decisions are made, we need to look at more than just the purchasing power of an individual. This need introduces the idea of Technographics, a market research strategy that combines demographics with technology adoption attitudes. Technographics is an ongoing research initiative conducted by Forrester Research using a segmentation based, not only on income levels, but also on primary life motivation and technology optimism. With Technographics segmentation, we can see how consumer decisions are much more rooted in other factors such as daily routines, nature of work environments, mobility of the consumer, and so forth.

For example, business entrepreneurs travel often, are independent minded, and are optimistic especially towards technology. While simple demographics segment these business individuals based on income, age, etc., Technographic segmentation will

continue to segment this population based on attitude, work ethic, technology optimism, and so forth. Technographic segmentation would then reveal the many layers of decision-making that dictate the consumer behavior of a business entrepreneur.

As for the purpose of our project, we are targeting the Technographic segment identified as the Fast Forwards. At 12% of all the U.S. households that were surveyed in 2004, they are the largest segment of technology optimists. The Fast Forwards are affluent consumers who are highly motivated, time-strapped, and not surprisingly the top users of new technology.

It is also understood, however, that not all of the private clients of Calamos Investments fall into the ideal segment such as the Fast Forwards. In that case, Technographic segmentation aids us in understanding the consumer behavior and preferences specific to each different segment, therefore providing insight on how to tailor to their needs just as well. For further research on the affluent market and their technology adoption, we highly recommend consulting with Forrester Research, a technology and market research firm featuring a data source that is the most relevant and customizable towards our needs in investigating the affluent as consumers of both financial services and communication technology.

## MARKET RESEARCH ANALYSIS REPORT

### BACKGROUND

Historically, Calamos Investments' Private Client Group has maintained a high level of personal contact with its customers. As the Private Client Group has grown, however, it has been more difficult for Calamos Investments to maintain a high degree of "personal touch" with their individual investors. In response to the need for a more convenient and integrated means of advisor and client communication, Calamos Investments has expressed interest in implementing cutting-edge technology as their new and improved channel of communication.

Recognizing the concern and interest of Calamos Investments to maintain personal contact with their clients using new technology, we have proposed the idea of using mobile communication devices allowing both voice and data communication to support a wide range of services between the client and advisor.

### OBJECTIVE

The objective of the Customer Data Analysis Sub team is to provide insight on the affluent market based on secondary research investigating their adoption of technology for voice and data communication with financial services.

Based on the team's research and analysis in the areas of technology, content, and the affluent market, our project goal is to propose and demonstrate a communications strategy using a multimedia pilot specific to the marketing efforts of Calamos Investments.

Specifically, within this Market Research Analysis Report, the following questions are to be addressed:

- Who are the affluent?
- What form and frequency of communication is preferred between the affluent investor and their financial advisor?
- What technologies are preferred in supporting this communication?



- What content and service features are preferred in this communication?

## RESEARCH METHODS

The research provided in this report is derived from secondary research. Due to time constraints and the unavailability of original customer data from Calamos Investments, obtaining primary research was not an option. We had the idea of conducting interviews with Calamos' private clients, and we even initiated a sample survey. Unfortunately, time did not permit further development of any form of primary research.

Instead, we devoted our efforts on compiling market research on both the U.S. and global markets from a number of sources available on the internet and at the library including reports, statistics, and articles focusing on the affluent and financial services consumer. Our market research on the U.S. affluent market alone allows us to demographically represent the interests of the private clients at Calamos Investments.

During the course of our research, we purchased a market analysis report from Forrester Research which provides an overview and analysis of the U.S. affluent market. We also inquired about their research database and their Technographics segmentation system. From what we learned about the Technographics study, we agreed that this could be very valuable information for the marketing purposes of Calamos Investments. Therefore we presented to Calamos a market research proposal in which we proposed an annual subscription to the Forrester Research database. Team members even offered to learn how to make data cuts if we were to subscribe and only have access to the data without the assistance of a data specialist at Forrester.

Also in that same proposal, we recommended the purchase of a report from Jupiter Research which looks at cell phone usage for both voice and data communication. Since our Technology and Content Sub teams were proposing mobile communication devices such as the cell phone, we decided that having actual consumer data on cell phone usage segmented by age and income would provide some insight on the affluent market and their adoption of mobile communication technology.

Sources of our research are listed in the Appendix.

**THE U.S. AFFLUENT MARKET**

## SEGMENTING THE AFFLUENT MARKET: BY WEALTH

The focus of our project is the affluent consumer market, also referred to as high net worth individuals (HNWI). The starting level to be considered affluent is having one million dollars or more in investable assets. Within the affluent market, different segments have been identified based on their level of investable assets as listed below:

### **Emerging Affluent**

Do not yet belong to the affluent category, but are likely to.  
Investable assets of \$100,000 to \$1,000,000.

### **Affluent/High Net Worth**

At least \$1 million of investable assets, not including primary residence.

### **Penta-Millionaires**

\$5 million+ of investable assets.

### **Ultra High Net Worth**

\$10 million+ of investable assets.

Each of these market segments has its own needs and preferences. We have learned in our research that the affluent market can not be effectively analyzed if treated as a homogenous whole. Many demographic, attitudinal and behavioral variables are at play across the different segments.

Each affluent segment requires different degrees of personalization and service, but all expect access to their finances when, where, and how they want it. Therefore, firms are developing multi-channel strategies to cater to the evolving needs of their affluent investors.

The affluent are also segmented by financial services firms according to how receptive they are with financial advice. These segments correspond with the level of investable assets of the investor and are as follows:

**Self-Directed Investors** are those with investable assets of \$1 million to \$5 million. Statistically they are young males who are often tech-savvy, well-educated business entrepreneurs who are confident of their abilities to manage their own wealth. They are skeptical of the value advisors can add.

**Single Advisor Investors** are those with investable assets of \$5 million to \$10 million. They are anticipated to accumulate significant wealth over time and have a cooperative relationship with a single advisor.

**Team Advisor Investors** are those with investable assets of more than \$10 million dollars. They rely on the expertise of teams of financial professionals.

HNW.com, "Market Intelligence, Common Segments"

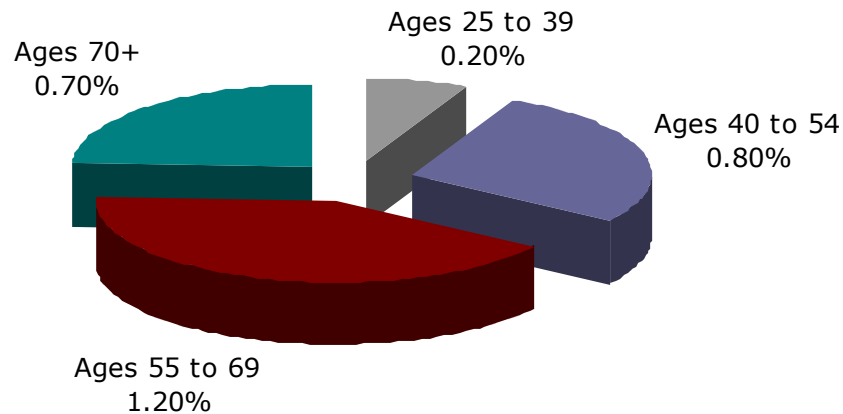
IBM, "The Affluent Consumer"

UBS Quarterly Theme

## SEGMENTING THE AFFLUENT: BY AGE

The affluent market is, not surprisingly, the smallest population group of all U.S. households. Figure 1 below shows the affluent market segmented by age. Apparently, the greatest segment of the affluent population falls between the ages 55 to 69 and the smallest segment of the affluent naturally falls in the youngest group, ages 25 to 39.

**Figure 1, Segmenting the U.S. Affluent Market by Age**



These percentages of affluent households by age group are based on all the U.S. households that were surveyed. At a total of only 2.9% of the U.S. population, the affluent market is the smallest population group.

Percentage base: 46,803 U.S. households, all levels of investable assets

Source: Forrester's Consumer Technographics 2005 North American Benchmark Study

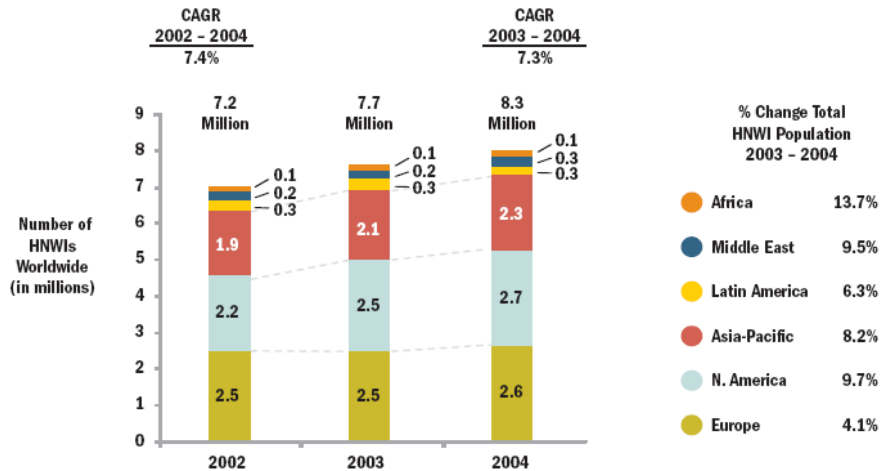
## SIZE AND GROWTH

In 2001, 2.2 million North Americans accounted for 29% of global affluent wealth.

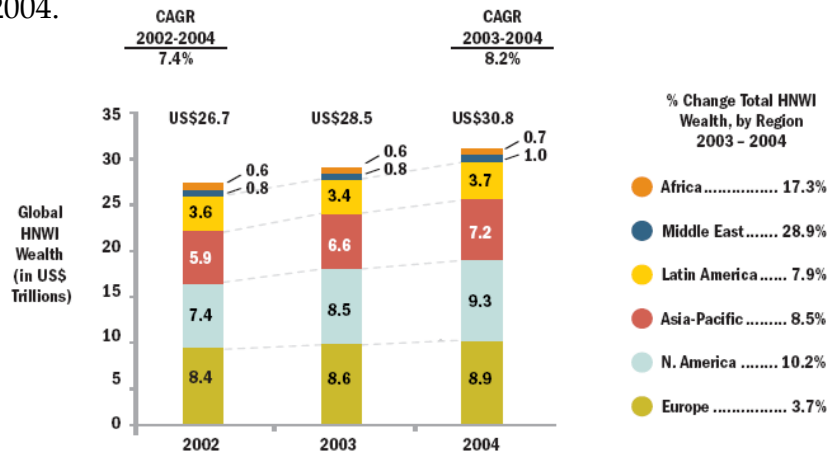
The American affluent population is predicted to grow at a rate of 8% from 2004 to 2009.

Spectrem Group  
HNW.com

The graph below compares the size and growth of affluent **populations by region**. Represented in light blue, the North American affluent population grew from 2.2 to 2.7 million from the year 2002 to 2004.



This graph below compares the **wealth distribution by region**. Represented in light blue, the North American wealth grew from 7.4 to 9.3 in U.S. trillion dollars from the year 2002 to 2004.



Note: All chart numbers are rounded. CAGR 2002-2004 uses published rounded numbers.  
Source: Capgemini Lorenz curve analysis, 2005

## HOW TO REACH THE AFFLUENT

The affluent are online and market research shows that they are the fastest-growing income segment on the Internet. The affluent online users are conducting a lot of the same activities as the rest of us such as checking account balances, consuming media, and exploring travel and financial websites. However, how do you target this market segment specifically without attracting other consumers who do not have the same purchasing power?

The affluent are demanding consumers and they do their research, significantly online, to find what they want. As consumers, they are looking for much more than buying products. Therefore, in order to target the affluent market, three things to keep in mind are:

### **Exclusivity**

The affluent consumer enjoys having what no one else has. The harder it is to get, the more they want it. Exclusivity sets them apart and they will go to extreme measures to achieve this. Therefore, in order to target the private clients of Calamos, we are proposing cutting-edge technology to deliver highly personalized communication between them and their advisor.

### **Experience**

Luxury is a sensory experience. In the offline world, everything from the lighting and décor to the smell, touch, and overall atmosphere contribute to the luxury experience. We would need to achieve that in the online world as well, by ensuring an experience is delivered on the brand's site as well as in the mobile communication channels between Calamos and their private clients.

### **Emotion**

It's more than money that separates the affluent from the non-affluent. It's status. Part of the affluent's elite status comes from the company they keep. This is a group whose purchasing decisions are most influenced by word of mouth but are also influenced by the brand and the product's and retailer's reputation, in that order.

To attract and keep affluent consumers, an emotional connection must emanate from the brand. In order for Calamos to heighten their quality of communication with their private clients, it is important to recognize that the media channels they use play a big role in delivering the emotional connection that is intended. Therefore, in our creation of a multi-media pilot for this project with Calamos Investments, we are maximizing photography and rich media to help deliver a connection through emotion.

Clickz.com, "The Elusive Affluent", 2004



## **FINANCIAL SERVICES COMMUNICATION**

Market research shows that affluent investors are not particularly loyal with just one firm, but have multiple accounts with multiple firms. This lack of loyalty with any one firm proposes the need for firms to be more proactive in the delivery of their service. Several things to keep in mind:

### **Protect and nurture the brand.**

It is very important to nurture the relationship your client has with the firm. The firm must be focused on client relationships as much as it is focused on product and results.

### **Interaction increases satisfaction and loyalty.**

Market research shows that with less interaction, affluent investors express less satisfaction with their advisor. According to a survey study, 40% of affluent investors reported some level of dissatisfaction because their advisor was not proactively maintaining contact. 11% of affluent investors stated that their advisors were difficult to reach. On the contrary, 74% of affluent investors who are contacted weekly expressed that they are highly satisfied with their advisor.

In response to client dissatisfaction, another survey indicates that financial advisors are making an effort to improve client communication. 55% reported making more phone calls; 49% stated having more in-person meetings, and 45% are sending more newsletters and printed communications.

### **Personalize form and frequency of communication.**

Affluent consumers differ across different segments. Each segment has its own common set of behavior and preferences such as for the Internet or telephone. Maintaining contact alone is not enough. It is important for advisors to be receptive of what their clients want and cater to those desires accordingly as an expression of appreciation for their continued business.

Some affluent consumers may prefer more traditional forms of communication such as in-person meetings and phone calls, while typically younger affluent investors expect account access and communication via Internet and wireless devices. Regardless of the type of media and the content that is expected, it is therefore necessary for the advisor to know their clients well and tailor to their needs accordingly.

### **Integrate online accounts and communication.**

Affluent investors are already busy enough juggling multiple accounts and trying to keep up with market information. Financial advising firms need to provide integrated online investment services to their affluent clients. This integration would enable an investor to access detailed account information from multiple institutions on just a single screen.

Affluent investors in a survey stated that they still prefer personal contact even with all the convenience provided by online services.

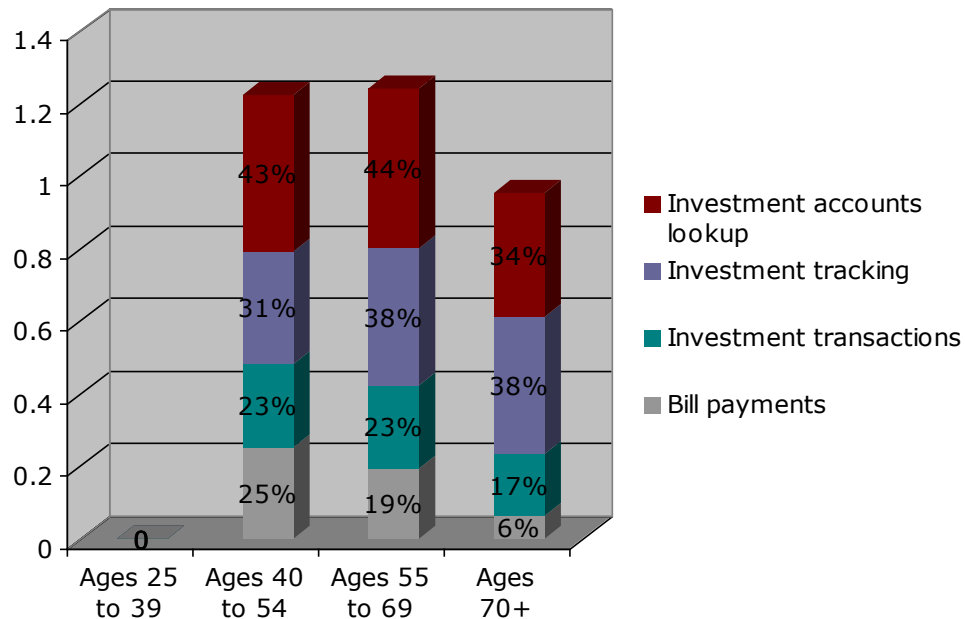
HNW.com

SunGard World, "Capturing the High Net Worth Client"

## USE OF TECHNOLOGY FOR COMMUNICATION Online Financial Activities

Affluent consumers are the top users of the Internet for financial activities. These activities include looking up investment accounts, tracking investments, conducting investment transactions, and paying bills at a bank or credit union site. Among the affluent households, as shown in Figure 2, the most active users of online investment services are ages 55 to 69 followed closely by the age group 40 to 54. Interestingly, the 70+ age group tops the 40 to 54 age group in tracking investments online. With all activities combined, however, affluent consumers of ages 70+ are the smallest segment within the affluent market to engage in online financial activity as listed here.

Figure 2, Online Financial Activities of the Affluent, Segmented by Age



Percentages shown in the figure above represent the percentage of survey respondents of that age group that are active in the corresponding activity.

Note: Insufficient data for affluent households ages 25 to 39

Percentage base: 41,785 Online U.S. households representing any level of investable assets

Source: Forrester's Consumer Technographics 2005 North American Benchmark Study

**USE OF TECHNOLOGY FOR COMMUNICATION**  
**Online Financial Activities, cont.**

As mentioned previously, affluent consumers are the top users of the Internet for financial activities. Studies show:

80% of HNWI use the Internet.

70.9% of affluents polled want complete information faster & by e-mail.

47.9% of affluent investors want new product announcements e-mailed.

44.1% of affluent investors want financial filings via e-mail.

The affluent market prefers online communication, transactions & trading, although stating that the telephone is still their top preference for direct and personal communication with their advisor.

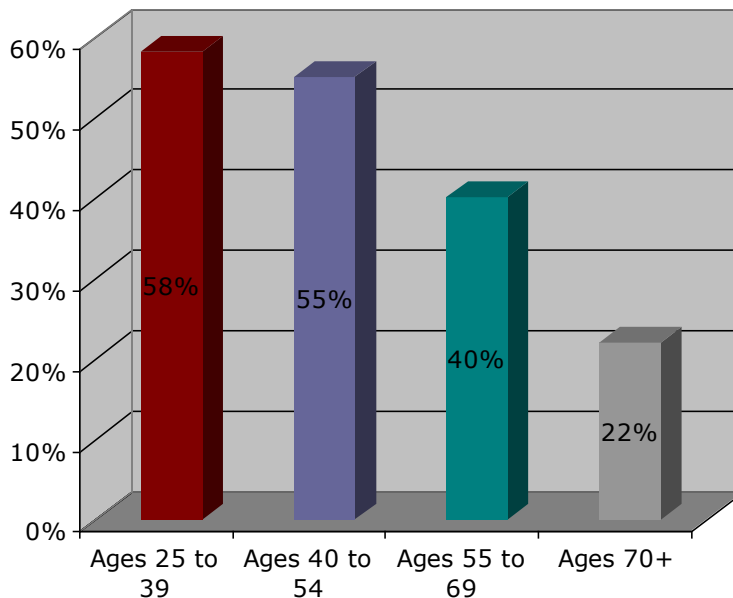
HNW.com

## USE OF TECHNOLOGY FOR COMMUNICATION Broadband Access

At 58%, the percentage of affluent users with Broadband connectivity is at its greatest among the young affluent group, ages 25 to 39. However, as shown in Figure 3, the percentage of affluent consumers with Broadband access drops with the increase in age.

By looking at the distribution of Broadband access across the different age segments, it may be observed that the younger affluent population are consuming more media online than the older affluent groups. With Broadband access, the consumer has faster connectivity and to a much greater range of media such as audio and video casts online. Furthermore, having Broadband access reflects favorably on their technology adoption of mobile communication technology such as the Blackberry, IPOD, or cell phones with the short message service (SMS) that in the near future, will support retail applications.

**Figure 3, Affluent Consumers with Broadband Access, Segmented by Age**



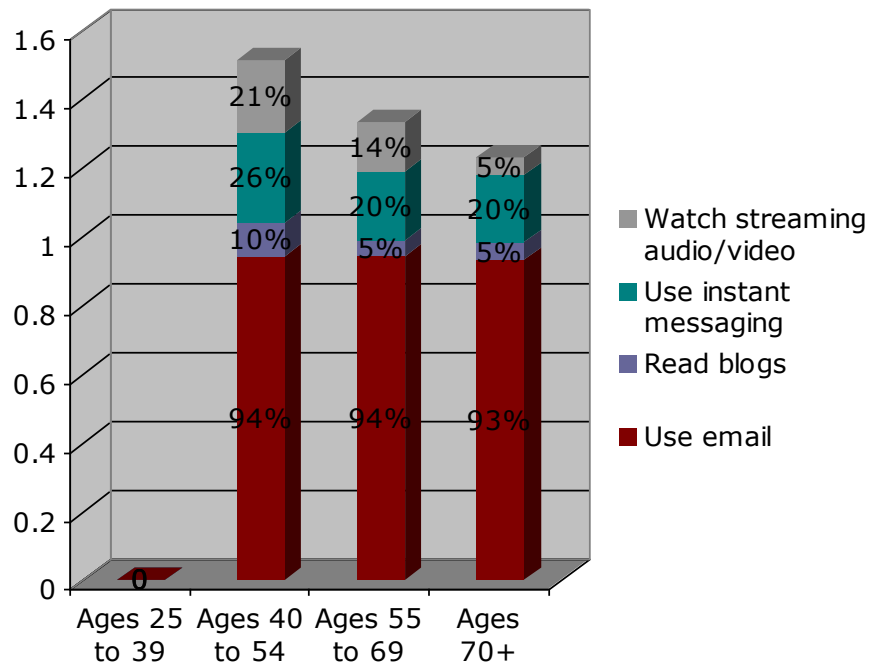
Percentage base: 46,803 U.S. households representing any level of investable assets  
Source: Forrester's Consumer Technographics 2005 North American Benchmark Study

## USE OF TECHNOLOGY FOR COMMUNICATION Online Activity

As mentioned earlier in the report, using the Internet for communication is among the top preferences of the affluent consumer. Figure 4 below immediately shows the use of email as the top online activity and the percentage of users are distributed equally among all age groups of the affluent, with the exception of ages 25 to 39 for which there is insufficient data. Other online activities include watching streaming audio and videocasts, using instant messaging, and reading blogs. The percentage of affluent consumers using any one of these other activities is significantly less than the use of email, with instant messaging being the next activity most used, followed by watching audio and video casts. Reading blogs is the least popular activity among the affluent market.

Similarly with affluent users having Broadband access, the figure below also indicates that online activity drops with the increase in age.

Figure 4, Online Activities of the Affluent, Segmented by Age



Percentages shown represent the percentage of survey respondents of that age group that are active in the corresponding activity.

Note: Insufficient data for affluent households ages 25 to 39

Percentage base: 41,785 Online U.S. households representing any level of investable assets

Source: Forrester's Consumer Technographics 2005 North American Benchmark Study

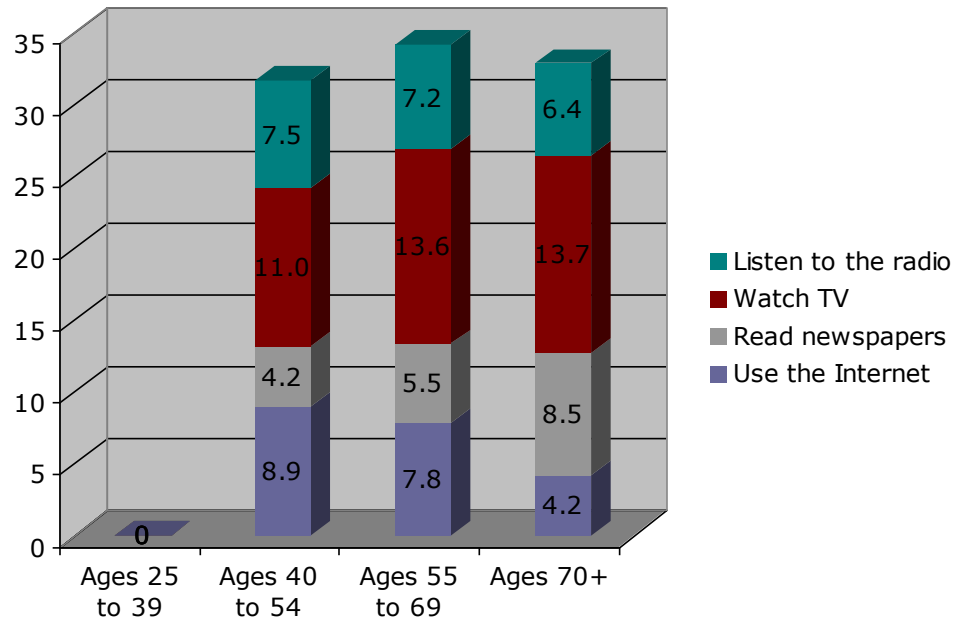


## USE OF TECHNOLOGY FOR COMMUNICATION Use of Other Media Channels

While the affluent market are top users of the Internet, more of their time is still being spent watching television than using the Internet. As shown in Figure 5 below, the time spent on watching television and reading newspapers both increase with age. In contrast, the consumer use of the Internet and radio both decrease as age increases.

Collectively however, the age group 55 to 69 spend the most hours per week on all the media channels combined, with the exception of ages 25 to 39 for which there is insufficient data.

**Figure 5, Average Hrs/Week Affluent Consumers Spend on Various Media, Segmented by Age**



Note: Insufficient data for affluent households ages 25 to 39

Base: 46,803 U.S. households, all levels of investable assets

Source: Forrester's Consumer Technographics 2005 North American Benchmark Study

## **USE OF TECHNOLOGY FOR COMMUNICATION**

### **The Need for Mobile Communication**

A majority of affluent investors online feel that the Internet affords them the convenience they need to be more efficient and informed, especially with online investing. Furthermore, many affluent investors travel frequently, spending a major portion of their day enroute. Studies show that 25% of office workers (nomads and mobile managers) spend a significant portion of their time traveling. Research also shows the business traveler spending more time traveling, increasingly on pan-European trips. Finally, with the average commuter, studies show an increasing amount of time spent commuting as well. Due to this constant commuting and traveling activity, coupled with lack of free time, the affluent investor must therefore rely on the convenience and efficiency of mobile online communication to stay current and connected.

While mobility of people, the affluent especially, is expected to increase, this has the effect of reducing the amount of leisure time available to these target users. With the convenience of mobile devices, users are attracted to the capability of completing tasks while on the move and therefore winning back their rapidly reducing leisure time. In these circumstances, it is convenience and general availability, and not cost, that will influence the uptake of any new communication technology.

As with investment services, affluent mobile users will soon expect that all mobile commerce applications will work in a compatible way to their most used value-added service: messaging. For example, the user would be able to buy shares using their WAP phone, hold the contract note as a message, and then print it when needed.

The mobile executive can also expect to see the start of convergence of accessories. Currently it is possible to purchase mobile phones with a calculator and clock functionality. With the widely used electronic cash technologies, the traditional wallet will begin to fade. The combination of wireless and smart cards will enable an easy to use and secure method for creating and storing encryption keys and other sensitive information, therefore enabling the user to conduct a number of financial transactions from just using the cell phone. Furthermore, the WAP-based applications of the cell phone will eventually reduce the need to carry a PDA or organizer.

MarketResearch.com, "The U.S. Affluent Market, Packaged Facts", 2002  
Understanding WAP: "Wireless Applications, Devices and Services"  
Wall Street & Technology, "Wowing Your Clients," 2005

## **USE OF TECHNOLOGY FOR COMMUNICATION Mobile Communication, cont.**

Consumer usage of web-enabled, hand-held devices are definitely on the rise. The following are statistics on wireless usage based on a survey of American consumers:

60% of adults own or use a mobile phone or wireless PDA

**Wireless usage for male/female:**

62% of the males say they own wireless devices

60% of the females say they own wireless devices

**Wireless usage correlates with income:**

80% of people in households \$75k + use wireless devices

**Wireless usage correlates with age:**

67% ages 18 thru 34 use wireless devices

36% ages 65 + use wireless devices

As with the percentage of affluent consumers with Broadband access, the percentage of wireless usage drops with the increase in age. Top users of mobile devices are among the younger population, whether affluent or not.

ClickZ.com

## TECHNOGRAPHICS SEGMENTATION Forrester Research

Forrester Research is an independent technology and market research company headquartered in Cambridge, Massachusetts. Forrester provides insights and advice regarding technology’s impact on businesses and consumers. For 22 years, Forrester has dedicated its efforts to helping global clients thrive in their markets through research, consulting, events, and peer-to-peer executive programs.

Because Forrester’s Consumer Technographics data source is most relevant – and most customizable – to our needs, it garners **our top recommendation** for further research, available through paid subscription. Forrester’s database contains in depth research data on the affluent market and their behaviors and attitudes towards consumer-facing industries such as financial services and communication technology. Their research data and analysis looks beyond the basic demographics by integrating attitudes and behavior into the segmentation mix. By combining demographics with consumer adoption of technology, we have Technographic segmentation. This segmentation system enables us to focus directly on the affluent market and their adoption of technology. It is a research analysis method which acknowledges and reveals how consumers make decisions based on not only income and purchasing power, but also on attitudes and behavior such as daily routines, nature of work environments, mobility of the consumer, and so forth.

The table below segments consumers by their income level, technology optimism, and primary life motivation.

		Primary life motivation		
		Career	Family	Entertainment
Technology optimism	Optimists	<b>Fast Forwards</b> are time-strapped, driven, and top users of technology. <span style="float: right;">12%</span>	<b>New Age Nurturers</b> are underserved — but serious — believers in technology for family and education. <span style="float: right;">8%</span>	<b>Mouse Potatoes</b> are dedicated to interactive entertainment, especially on the PC. <span style="float: right;">9%</span>
	Low income	<b>Techno-Strivers</b> are up-and-coming believers in technology for career advancement. <span style="float: right;">5%</span>	<b>Digital Hopefuls</b> are family-oriented technology lovers — a promising market for low-cost PCs. <span style="float: right;">6%</span>	<b>Gadget Grabbers</b> are focused on low-cost, high-tech toys like instant messaging. <span style="float: right;">7%</span>
Pessimists	High income	<b>Handshakers</b> are successful professionals with a low technology tolerance. <span style="float: right;">7%</span>	<b>Traditionalists</b> are suspicious of technology beyond the basics. <span style="float: right;">10%</span>	<b>Media Junkies</b> are visual, TV lovers, and interested in TV features like video on-demand. <span style="float: right;">6%</span>
	Low income	<b>Sidelined Citizens</b> are technophobes and technology laggards, the least receptive audience for any technology. <span style="float: right;">29%</span>		

□ Represents the percentage of US households in each segment in 2004

Source: Forrester Research, Inc.

## **TECHNOGRAPHICS SEGMENTATION Forrester Research, cont.**

As for the purpose of our project, we are targeting the Technographic segment identified as the Fast Forwards. At 12% of all the U.S. households that were surveyed in 2004, they are the largest segment of technology optimists. The Fast Forwards are affluent consumers who are highly motivated, time-strapped, and not surprisingly the top users of new technology.

It is also understood, however, that not all of the private clients of Calamos Investments fall into the ideal segment such as the Fast Forwards. For example, the Traditionalists are affluent consumers who are suspicious of technology beyond the basics. They typically consume more traditional media such as television, newspapers, magazines, etc. In that case, Technographic segmentation aids us in understanding the consumer behavior and preferences specific to different segments, therefore providing insight on how to best serve contrasting consumer groups.

Included in the Appendix is a sample copy of a consumer survey from which Forrester Research collects its data. This survey shows you the detailed questions that are asked about investing behavior, communication preferences, technology brand preference, service providers, and much more.

Also included in the Appendix is a sample data report from Forrester showing consumer data segmented into Technographic categories.

## CONCLUSION

Our research on the affluent markets, both global and domestic, is both encouraging and supportive of our purposes serving the efforts of our Technology and Content Sub teams as well as the marketing efforts of Calamos Investments. The research we have gathered collectively indicates that the affluent market are highly active consumers of financial services, communication technology, and media in general. We have not only discussed current consumer trends, but evolving trends as well in regards to mobile communication and the onset of integrated account management systems. Whether technology is responding to the needs for mobility, entertainment, or business communication, one thing is inevitable and that is the convergence of audio, video, and data communication for maximum convenience in accessing media anywhere, anytime. Without a doubt, the affluent market will be the first to adopt these new technologies based on their purchasing power and the desire to have what no one else has. With that in mind, it is crucial for all affluent consumer-facing industries to stay informed of evolving trends, embrace technology, and definitely know their customers well.

## CONTENT GENERATION SUB-TEAM REPORT

### METHODOLOGY

The content generation sub-team started this semester with the following objective:

**To demonstrate content generation alternatives utilizing various technologies.**

In order to meet our objective we first conducted primary research on the types of content Calamos' competitors were delivering to their clients. Keeping those ideas in mind we held brainstorming sessions about the types of content that could be used by Calamos Investments to reach its private clients. The types of content that our sub-team found that would be useful to Calamos Investments, partly based on what its competitors are delivering to its private clients were:

- Live interviews or commentary with John or Nick Calamos (or other staff members)
  - o performed on a monthly or quarterly basis
  - o audio and video easily exported to many different file formats (iPod, web stream, cell phone access, generic compression scheme such as mpeg, Divx, avi, etc)
  - o possible client generated topics or questions
- New PCG Customer "Welcoming" Kit that will include
  - o Calamos branded iPod to receive Podcasts derived from scheme above.
  - o CD/DVD video tour of Calamos Investments headquarters (with possible staff introductions)
  - o printed information in the form of brochure or newsletter
  - o a few branded Calamos' items
- Web Log (Blog)
  - o multiple updates daily to provide latest company and world news
  - o would allow alternative client interaction channel (besides telephone and email)
  - o possibly provide cell phone Java application to allow instant wireless updates and news
- News Updates
  - o RSS feeds with company and world news
  - o less customer interaction than blog, but easier to maintain
- News Column
  - o periodic articles written by John or Nick Calamos



After discussing the merits of each scheme, the first three were selected to be pursued further because our sub-team thought that it would offer a high level of customer impact. In order to fully experiment with the possibilities offered by each one, the sub-team had determined the following tasks need to be accomplished:

- meet the Calamos Public Relations officer(s), Private Client Group officer(s), and those in charge of the television studio to discuss the merits of each scheme from their perspective
- perform a competitive analysis of the content offered by other investment firms
- acquire a sample of a well-designed video tour
- obtain an example of a high-end “Welcoming” kit

All of these tasks were pursued and the results of our work involve two deliverables. One is a live example of what a high-end “Welcoming” kit would look like and the other is a competitive analysis report. Both of these deliverables will be explained in the report below.

## WELCOMING KIT DESCRIPTION

Our sub-team was responsible for introducing the iPod along with the applications generated by the technology sub-team. We wanted a solution that would incorporate all the information received from our sub-team as well as the other sub-teams' research. Based on our competitive analysis we came up with the idea of a unique "New Clients Welcoming Kit". In it we included the major solution proposed by the Technology sub-teams. The welcoming kit would include a video iPod, Calamos branded with the Calamos logo and a Thank You note on it, that would come with preloaded content and applications that our technology sub-team worked on. We also knew from the Market Research sub-team that High Net Worth clients like the Private Clients of Calamos want a close relationship with their advisors. For that reason, we believed that a Welcoming Kit that would be not only a "high-end" product but also it would be customized with other Calamos branded items would be idea. The purpose of the welcoming kit was to show the appreciation of Calamos to its Private Clients and give them the feeling that they belong in a family of selected customers. At the same time, we wanted a solution that would appeal to both HNW clients who are technology adopters and more conservative clients.

Urbanabox, a Washington state company that specializes in corporate gifts and packaging was contacted after reviewing their website and previous work with other companies such as: Xerox, Nike and Microsoft. After several brainstorming sessions and consultations with our marketing professor as well as Calamos representatives, we decided to create two different kits that could ease the introduction of the iPod.

The first kit was a Golf themed faux leather box with Callaway gloves, golf balls and a golf diary neatly placed in the inside. The second kit was a faux leather travel kit that contains a travel clock, luggage tag and notepad. The themes were chosen based on the information we had on high net worth individuals, the relationship of Calamos with its private clients and the lifestyle of Calamos's private clients. It was brought to our attention that John Calamos sponsors his very own golf outings for clients. This seemed like a good time and place to introduce the iPod. The travel kit fits any occasion; this is why it seems to be a better fit for a new client, welcome kit. These designs are the first step towards the idea of kit and they serve as good example of the wide array of options available for it. Here are the pictures from our sample welcoming kits.



## COMPETITIVE BENCHMARKING

For the competitive analysis report we requested from Calamos Investments a list of companies that it considers as top competitors. We have special attention to these companies while researching the types of content they are delivering to their clients. These are the

1. Fisher Investments
2. William Blair Funds
3. Century Funds
4. Alliance Bernstein
5. Neuberger Berman
6. Capital Guardian

## Fisher Investments

*"Fisher Investments is a money management firm specializing in global investing, serving affluent individuals and prestigious institutions.<sup>1</sup> Fisher Investments has more than \$20 billion under management."<sup>2</sup>*

Fisher Investments is not only one of Calamos' top competitors it is also especially interesting because of the attention that provides to its private clients. Fisher Investments claims that "delivering superior service to individual investors" is a primary goal of them. In fact FI created the Private Client Group to make sure that its goal was met. The people in FI believe that their personalized approach allows clients to benefit not just from their portfolio management capabilities but also from their substantial research and educational resources.(www.fi.com) Apart from assigning each client with an Investment Counselor to discuss individual needs and objectives as they relate to their portfolio, Fisher provides clients with periodic written research reports, quarterly statements, and other timely updates. Fisher Investments also holds regular [investment portfolio seminars](#) throughout the country to "keep investors abreast of their thinking on the markets and to give them a chance to interact with senior decision makers".

Fisher investments' website has a very dry feel to it. The website is too crowded and the user is lost in too much text. The publications and press section allows prospective clients to download the stock market outlook for free. That stock market outlook includes research and is aiming to "introduce its clients to the market perspective and investment philosophies that Fisher Investments is using". It is delivered quarterly. The website also provides an archive of monthly Ken Fisher's Forbes "Portfolio Strategy" columns. The firm has a press room which consists of company news and an editorial archive which is a selection of Ken Fisher's literary work in different publications.

However, Fisher Investments offers a good amount of content specifically intended for its private clients that comes in different forms. First of all, it provides a video that aims to introduce the new private clients to the firm. Its duration is about three minutes and in it Ken Fisher as well as other members of the investment team appear and talk about the company. Moreover, Fisher Investments provides new private clients an Investment Starter Kit that includes:

- **Stock market outlook:** Fisher Investments' latest research and analysis, including market forecast, asset allocation considerations, sectors to watch, and foreign opportunities.

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<sup>1</sup> Retrieved from the website:

<http://www.fi.com/investment-management-company>

<sup>2</sup> Retrieved from the website:

[http://www.hoovers.com/fisher-investments/--ID\\_139134--/free-co-factsheet.xhtml](http://www.hoovers.com/fisher-investments/--ID_139134--/free-co-factsheet.xhtml)

- **Wealth Management Guide:** Illustrates the benefits of separate account asset management for high net worth investors - relative to other investment options available.
- **Interactive CD-ROM:** Video on money management, links to Ken Fisher's current Forbes column and other published articles.
- **A free gift**

Finally, the firm offers private client seminars. Those are client-only event in different cities across the United States. The seminars' purpose is to give the opportunity to Ken Fisher along with other members of the investment team and senior executives to talk to the private clients of their insights in current market conditions, continuing education and Fisher Investments' portfolio positioning. Private clients are urged to contact their investment counselors if interested in those seminars. Overall, the website seems to point towards a direct contact with the firm via personal meetings, phone and email.

### **William Blair Funds**

*"William Blair & Company, L.L.C. is a Chicago-based investment firm offering investment banking, asset management, equity research, institutional and private brokerage, and private capital to individual, institutional, and issuing clients."*<sup>3</sup>

The firm's website is nicely organized which makes it easy for the user to access the different sections. The front page consists of links to news, background information and timely updates. Under the background information, the firm provides a number of prospectuses in PDF format. There are also annual and semi-annual reports as well as additional literature for each fund, all in PDF format. The timely updates section includes fund manager commentaries on each type of fund, as well as audio/video files. The clients can watch or listen to fund managers comment on different types of fund on a quarterly basis. Moreover, the news section of the website includes articles about the funds and articles about the firm.

### **Century Funds**

*"Century Capital Management, LLC is a leading investment advisory firm that manages assets for institutional and individual clients worldwide. The firm is a registered investment adviser with over \$1 billion in assets under management, including committed capital in private equity."*<sup>4</sup>

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<sup>3</sup> Retrieved from the website:  
(<http://www.wmblair.com/Pages/firm.asp>)

<sup>4</sup> Retrieved from the website:  
(<http://www.centuryfunds.com/about/index.html>)

Century Funds has a very simple yet aesthetic website. It has a good organization of the website with use of nice colors thus making it very appealing to the eye. In terms of content, it is very little and not updated frequently enough. The firm provides a news section with the latest entry being in November 2005. It also gives individual investors a short html commentary on each type of fund. For institutional investors, it provides not just commentaries but also funds literature in PDF form. There are a couple of detailed sections on Investing Principles and Investment Philosophy as well as a section dedicated to information about its products and their performance. Overall, the firm has little content on its website but that keeps the website neat and organized.

### **Alliance Bernstein L.P**

*“AllianceBernstein L.P is one of the largest publicly traded global asset management firms in the world with approximately \$618 billion in assets under management at March 31, 2006. AllianceBernstein provides diversified, global investment management services that include growth and value equities, style blend and fixed income services to institutional, high net worth and retail clients worldwide. Additionally, through its Sanford C. Bernstein LLC & Co., (“Bernstein LLC”) subsidiary, AllianceBernstein provides in-depth research, portfolio strategy, trading and brokerage-related services.”<sup>5</sup>*

Alliance Bernstein Holding offers a wide variety of information in the form of text and graphics. The company also provides a list of articles which offer economic perspectives by experts as well as a literature and investment solution sections. A long list of research and white papers are also available to clients. The website holds news releases updates once or twice a month, a new investor in PDF format as well as article commentaries with no specific pattern. There is also a literature section with quarterly reports. The user can sign up for email alerts.

### **Neuberger Berman**

*“The company manages about 40 mutual funds in a range of investment styles for individual and institutional clients. It also offers closed-end municipal bond, real estate, and hybrid funds; wrap [accounts](#); separate accounts; and alternative investments; as well as financial advisory services. The company has more than \$80 billion in assets under management.”<sup>6</sup>*

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<sup>5</sup> Retrieved from the website:

<http://www.alliancebernstein.com/Portal/GenericTXT.aspx?nid=7357>

<sup>6</sup> Retrieved from the website:

[http://www.hoovers.com/neuberger-berman/--ID\\_58082--/free-co-factsheet.xhtml](http://www.hoovers.com/neuberger-berman/--ID_58082--/free-co-factsheet.xhtml)

This website gives a nice, organized feeling to the user. Neuberger Berman offers to mutual funds clients a Manager Insight Podcast program. The Manager Insight Podcast program provides timely information about Neuberger Berman products and services in the words of the experienced investment professionals that manage them. The Podcasts feature updates on the markets, investment processes and philosophies in a format that can be easily downloaded to a computer or a personal MP3 player. Presently, the clients can listen to the interview with Basu Mullick, MarketWatch's "2005 Fund Manager of the Year." The file is played through iTunes and it is 7 minutes long. Notable is the fund literature section that is provided to mutual fund clients. The fund literature consists of a prospectus, a statement of additional information produced by the firm, a report and a commentary on each type of fund, all of which are in PDF format. There is also a knowledge center section that serves a resource for clients to build their portfolio and their life-long financial plan. The knowledge center includes investment basics ideas that every investor can use, planning for retirement, education etc. as well as advanced investment research and analysis and publications which is an archive of printed material from Neuberger Berman in PDF format. NB also provides press releases to its clients that are categorized in mutual funds, money management, NB Inc and Closed End funds press releases. The website also offers audio and video files that are played using Real Player but the topics of those is not obvious as the access is restricted.

### **Capital Guardian:**

*"Capital Guardian is a research-driven organization, focused on effective money management for institutional and individual clients. It is part of a global organization(The Capital Group Companies)".*<sup>7</sup>As of August 31, 2004, Capital Guardian had over \$149.9 billion of assets under management."<sup>8</sup>

There is no obvious content because of restricted access. Capital Guardian as part of the Capital Group is only a portal of the main website and requires a log in to enter the website. For that reason, we were unable to access the information.

Our sub-team went beyond those firms and researched about the content provided by other direct competitors as cited by Yahoo Finance and Google Finance websites.

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<sup>7</sup> Retrieved from the website:

<http://www.pacificlife.com/Life+Insurance/Portfolio+Managers/Capital+Guardian+Trust+Company/>

<sup>8</sup> Retrieved from the website: <http://www.newcovenantfunds.com/index.cgi?id=13>



According to Yahoo finance there are three direct competitors of Calamos Investments in the Investment-Brokerage Industry:

- American Century Companies, Inc.
- Bear Stearns Asset Management Inc. (subsidiary of Bear Stearns)
- Dodge & Cox

### **American Century Investments**

*“American Century is a multi-disciplined, global asset investment management firm offering diverse investment vehicles and employing approximately 2,000 people.*

*Its global team of investment professionals offers a diverse range of investment options in domestic equity, international equity, fixed income, money market securities, and retirement plans for individual and institutional investors. “<sup>9</sup>*

American Century Investments does not provide any content on the front webpage. There is a separate section however that a user can access to view news and research. The firm gives access to videos that present why the company is better than its competitors, to its prospective clients. The videos are in three parts, they are played with Windows Media Player and QuickTime and last in total approximately 6 minutes.

The company provides its clients with Wall Street on Demand, a service offered by American Century Brokerage. Its services include a free stock portfolio manager and a database of over 500,000 detailed reports that can be immediately delivered to the client via [PDF](#) or fax. Furthermore, the American Century Bo can view S&P Reports, Top news, corporate news, industry news etc.

AMC also offers news releases in html version and weekly market updates in html which clients can also get delivered by email. For every type of mutual fund the fund offers the client a different prospectus, an investment kit, a financial report, a quarterly commentary and quarterly holdings information.

For their investors, there is a special section in which they can find an investor newsletter, a weekly market update, an article on asset allocation, a quarterly market performance commentary and eTOPICS Archive. eTOPICS is a monthly electronic newsletter with articles on current investing topics of interest, like timely investment and market insight, legislative updates, news on services and products from American Century and investing strategies and tactics.

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<sup>9</sup> Retrieved from the website: <http://www.americancentury.com/welcome/about.jsp>

American Century is currently trying to create more content with the following sections that are now under construction and show no content yet: "Morning Comment", "Market Wrap-up", "Weekend report" and "Market news". These sections will not be available to all users; rather they will be exclusive commentaries. On the company's main website the clients have the option to reserve their investing kit. There is no information as to what that investing kit includes; it only asks the user to input their information to be sent the kit. Last but not least, AMC provides RSS and Podcasts to the users. There is no archive of the podcasts since access is given only to clients but on the websites those services are mentioned. American Century Investments now offers timely updates of commentary and other online content to our investors through RSS (Really Simple Syndication) and Podcast. There are instructions as to how to view content from American Century through an RSS/ Podcast Reader.

### **Bear Stearns Asset Management:**

*"The Bear Stearns Companies Inc. is the parent company of Bear, Stearns & Co. Inc., a leading global investment banking, securities trading and brokerage firm. Bear Stearns had total capital of \$57.6 billion (as of February 28, 2006) and total assets of \$300.0 billion (as of February 28, 2006). According to the April 2005 issue of Institutional Investor magazine, Bear Stearns is the seventh largest securities firm in terms of total capital."*<sup>10</sup>

Bear Stearns Asset management has a lot of conference calls for investors. As said on the website of the firm the firm continues to "develop and improve web-based applications that give the private clients immediate access to important products and services. Those include @ bear which a comprehensive set of portfolio tools that enable clients to access their accounts over the Internet, as the Bear Stearns Research library which is a database of the latest research reports from Bear Stearns Analysts. BS also provides the clients with video presentations. The latest streaming video, on March 2006 is with Jim O'Shaughnessy, Senior Managing Director, Director of Systematic Equities of the firm who presents details on the philosophy and strategy behind Systematic Equity. Moreover, there is a press release section with many PDF files. For investors there is a series of conference calls and webcasts available.

A unique feature that is implemented on the website is the BearCasting. The firm provides BearCasts namely podcasts that its clients can listen to on their iPod. Through BearCasting Bear Stearns provides conference calls, research and special events whenever and wherever the clients choose to use. The clients can also import individuals audio reports or subscribe to automatically synchronize their iPod and computer to the latest reports the firm provides.

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<sup>10</sup> Retrieved from the website:

<http://www.bearstearns.com/bear/bsportal/Info.do?left=About%20Bear%20Stearns&top=Overview>

## Dodge and Cox Funds

*“Dodge and Cox is an asset management firm that provides mutual funds and separately managed accounts.”<sup>11</sup>*

The website is nice and simple, has little content and mostly refers the clients to contacting the company directly by using phone or personal contact. Dodge and Cox funds has limited content to its clients restricted only to fund prospectuses and brochures in PDF format. It provides reports to its shareholders based on the stock fund. The shareholders’ reports are also in PDF format and they are as frequent as once per quarter. It is obvious that the firm is not using digital media to communicate with its clients and shareholders. It prefers traditional means of communication like mail and phone. This fact is specifically stated on the website: “Unlike the Account Access portion of our web site, email communications are not encrypted for security. Consequently, Dodge & Cox Funds does not offer email services.”

Furthermore, we looked at some related companies as cited by Google Finance. These companies are related with Calamos Investments in the Investment Services industry in the sector of Investment Banking/Corporate Finance sector. Our sub-team carefully looked at the content they provided on their website while keeping in mind that these companies are only related firms and cannot be directly compared to Calamos. These companies include:

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<sup>11</sup> Retrieved from the website:

[http://www.hoovers.com/dodge-&-cox/--ID\\_128162--/free-co-factsheet.shtml](http://www.hoovers.com/dodge-&-cox/--ID_128162--/free-co-factsheet.shtml)

- Waddell & Reed Financial, Inc.
- Gamco Investor Inc.
- Legg Mason, Inc.
- Friedman, Billings, Ramsey Group, Inc.
- Knight Capital Group Inc.
- Lazard Ltd
- Charles Schwab Corp.

### **Waddell & Reed Financial, Inc.**

*“Waddell & Reed is one of the oldest mutual fund managers in the US. The firm manages accounts for institutional investors and private clients. The company sells annuities and insurance through an alliance with [BISYS](#).”<sup>12</sup>*

Waddell and Reed is a well organized website with a fair amount of information on products and services. It does not offer as many multimedia files as other companies do but it keeps a steady delivery of information in the form of letters and commentaries. The firm offers an investment letter which is updated almost every month, market and fund commentaries both updated every quarter and press releases updated every month. For its investors, the company offers live webcasts (Earnings conference calls).

### **Gamco Investor Inc.**

*“GAMCO provides advisory services to more than 30 mutual funds, as well as to approximately 1,800 separate accounts for wealthy individuals and, to a lesser extent, pension plans, trusts, and profit-sharing plans.”<sup>13</sup>*

Gabelli Asset Management Company (aka Gamco) features a text-heavy website. The main point of interest on the Gamco website is the “Gabelli Blog.” This blog, which is edited by the upper management of Gamco, feature weekly blog updates, along with the opportunity to leave comments. In its current state, the blog is little more than a weekly updated commentary. There is very little dialog exchange between Gamco employees and those who leave comments. The Gamco website also features an event calendar, which really doesn’t have many events listed, so it’s not very worthwhile. Gamco, like many other companies, also reprints articles written by their managers for other sources. The a/v content area currently does not feature any audio or video, or access to an archive, but one would assume that Gamco intends to update it in the near future.

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<sup>12</sup> Retrieved from the website:  
[http://www.hoovers.com/waddell-&-reed/--ID\\_55625--/free-co-factsheet.xhtml](http://www.hoovers.com/waddell-&-reed/--ID_55625--/free-co-factsheet.xhtml)

<sup>13</sup> Retrieved from the website:  
[http://www.hoovers.com/gamco-investors/--ID\\_56945--/free-co-factsheet.xhtml](http://www.hoovers.com/gamco-investors/--ID_56945--/free-co-factsheet.xhtml)

### **Legg Mason, Inc.**

*“Legg Mason, which is headquartered in Baltimore, is a global asset management firm with over \$850 billion in assets under management around the world. Through its domestic and international subsidiaries, the firm serves the institutional, mutual fund and wealth management markets.”*<sup>14</sup>

Legg Mason offers a wide variety of information and formats which are updated monthly and quarterly. It also offers some multimedia though, it's difficult to find. The website is confusing and it easy for the newcomer to get lost or simply not be able to find the information he or she is looking for. The website provides news highlights updated almost once a month, a “Beyond the headlines” section updated weekly and “Context and Perspective” section updated quarterly. Though there is a presentations and webcasts section it is currently empty. Finally, there are annual reports and a video interview.

### **Friedman Billings Ramsey Group:**

*“FBR is now a top ten investment bank with a national franchise, one of the strongest equities distribution capabilities in the securities industry, and \$1.0 billion in total revenues in 2005.”*<sup>15</sup>

The website has a nice design and organization. All the information is organized in categories, which makes it easier for the user to view the content. As the user accesses the website, he can see the company's latest news. Those are in html format and they are as frequent as one to two per month. There is a separate newsroom however that provides an archive of the firm's news releases for every month for the last seven years. There is an option for the user to receive e-mail alerts. In addition, there is an investor relations section that includes an events calendar, news releases, presentations and webcasts. The events calendar lists the future webcasts like the FBR Earnings Conference Call but also the past webcasts which are the same as in the Webcasts subsection. The webcasts are quarterly and they concern Earnings Conference calls, updates on the company, yearly Investor Conferences. They are played by Windows Media Player and Real Player and they are accompanied by PDF files. Presentations are also offered to investors. Some are PDF format and some are webcasts. The main website offers the user the option to get forwarded to the FBR mutual funds website that provides a 2006 Outlook for it users as well as research documents and news and updates in PDF form. A unique service that FBR offers to its Direct customers is the FBR

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<sup>14</sup> Retrieved from the website:  
<http://www.leggmason.com/>

<sup>15</sup> Retrieved from the website:  
<http://www.fbr.com>

streamer which allows the investors to watch their investors with a personalized streaming portfolio tracker for their desktop and wireless device.

### **Knight Capital Group:**

*"As a leading trade execution specialist, Knight trades nearly every security. Knight is a significant liquidity provider to a great number of small and thinly-traded stocks. Knight has two business segments: Asset Management and Equity Markets."*<sup>16</sup>

For the Knight Capital Group there is a wide variety of content. The front page of the company includes a list of corporate announcements and features that forward the user to the press releases section under the Media Center of the website. All the press releases are in html format and they are on average two per month. Knight Capital Group's website holds an Investor Center section in which there are different forms of content. Those include Analyst Presentations, Annual reports, Email alerts, Literature requests, shareholder information and webcasts. In the webcasts section there is an archive of presentations. The topics of those presentations are mostly quarterly Knight Capital Group, Inc. Earnings Conference calls, special events like Knight Capital Group Investor and Analyst Day or Knight 2005 Annual Shareholders' Meeting Webcast. Usually, presentations are made quarterly and based on special events and the last approximately one hour. The webcasts are played with a Windows Media Player and a Real player.

The media center of the firm's website is split in the advertising section, the broadcast center, a calendar of events and press releases. The advertising section has an archive of yearly company campaigns in flash version. The broadcast center is still under construction and is designed to allow members of the media to film and interact with the firm's trading floor. The calendar of events highlights some of the upcoming events in the securities industry as well as Knight's participations in market events. As said before, Knight offers archives annual reports which are in both html and PDF format. The Analyst presentations are made by Knight's management to inform about Knight's business and about current and proposed changes to market structure and regulations. Those presentations are on average one per quarter of a year and they are on PDF format. An investor may choose to receive e-mail alerts about SEC Filings, Presentations, Financial Releases, Audio Archives, Calendar Events and Annual Reports.

### **Lazard Ltd:**

*"Lazard is a preeminent international financial advisory and asset management firm that has long specialized in crafting solutions to the complex financial and strategic challenges of our*

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<sup>16</sup> Retrieved from the website:  
[www.knight.com](http://www.knight.com)

*clients. It serves a diverse set of clients around the world, including corporations, partnerships, institutions, governments and high-net-worth individuals.”<sup>17</sup>*

Lazard provides the user with company news on the front page. The news is weekly and some are on html while others are in PDF version. There is a newsroom on the website that includes press releases of every year for the last three years, selected transactions of the company per quarter and media contacts. Under the Investor Relations section, there are annual reports Lazard Full Year and 4Q 2005 Presentation in PDF format, results announcements that concern the firm’s earnings per quarter and presentations.

The one presentation posted on the website is the Lazard Full Year and 4Q 2005 Presentation. Overall, there is not much content posted for its clients other than news and selected presentations.

### **Charles Schwab Corp.**

*“Charles Schwab is a brokerage firm that offers services to more than 7 million individual and institutional clients from approximately 270 offices in the US. Traders can access its services via telephone, wireless device, and the Internet. Besides discount brokerage, the firm offers mutual funds, annuities, private banking, and bond trading, as well as mortgages through its Charles Schwab Bank.”<sup>18</sup>*

Schwab is a very busy website with a good contrast of colors and plenty of information. This website seems to be designed for a much larger amount of users who might be interested in many different kinds of information. There is a daily update commentary, a “Schwab Market Perspective” commentary and many forms of educational reports that the clients can read on the website. There are currently two webcasts and some videos. In fact, the firm has a series of flash videos called “On the side of the investor” in which Charles Schwab discusses 7 different topics for about a minute per clip. Columns of financial experts are also posted.

Finally, our sub-team looked at some financial firms that we thought were in the same industry of investment services and were worth researching the way they deliver content to their clients. Those are:

- Fidelity Investments
- Merrill Lynch
- US Global Investors

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<sup>17</sup> Retrieved from the website:  
[www.lazard.com](http://www.lazard.com)

<sup>18</sup> Retrieved from the website:  
[http://www.hoovers.com/charles-schwab/--ID\\_10320--/free-co-factsheet.xhtml](http://www.hoovers.com/charles-schwab/--ID_10320--/free-co-factsheet.xhtml)

- Pimco Bonds

### **Fidelity Investments:**

*“Fidelity Investments, is the world's #1 mutual fund company. Serving more than 19 million individual and institutional clients, Fidelity manages approximately 360 funds and has more than \$1 trillion of assets under management. It also operates a leading online discount brokerage and has investor centers in about 100 cities throughout the US and Canada, as well in Europe and Asia.”<sup>19</sup>*

Fidelity Investments, as one of the largest investment companies in America, maintains a very extensive website. Because of the many different business sectors, the website's navigation is very important. After finding the areas where the content is accessed, it is simple to find what is needed. Fidelity features a few videos, but they are not updated frequently. These videos focus on the various funds that Fidelity offers, as well as a quarterly market perspective video that runs around 15 minutes in length. Fidelity's strength is in the very frequently updated text content. There are multiple updates on a daily basis, as well as recopies of syndicated columns from other sources, notably CBS's MarketWatch. Fidelity also sources global news updates from Reuters.

### **Merrill Lynch**

*“The firm offers [financial services](#) for private, institutional, and government clients, including mutual fund, insurance, annuity, trust, and clearing services, in addition to traditional investment banking and brokerage. The company has operations in more than 35 countries around the world.”<sup>20</sup>*

Merrill Lynch meets the user half way by providing a good amount of information without overwhelming him and providing a very detailed contact information page. This website offers a good balance between public information and the personalized attention provided by phone or email. In terms of news and commentaries, there is a “News Highlight” updated almost everyday; a weekly investment commentary in PDF form and press releases updated every week. In addition, there exists an executive commentary in the form of PDF and audio file that does not follow a specific frequency pattern. Merrill Lynch also provides research reports to its clients. Finally, the firm's annual report is presented through a nice flash based presentation.

### **US Global Investors**

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<sup>19</sup> Retrieved from the website:

[http://www.hoovers.com/fmr/--ID\\_40150--/free-co-factsheet.xhtml](http://www.hoovers.com/fmr/--ID_40150--/free-co-factsheet.xhtml)

<sup>20</sup> Retrieved from the website:

[http://www.hoovers.com/merrill-lynch/--ID\\_10990--/free-co-factsheet.xhtml](http://www.hoovers.com/merrill-lynch/--ID_10990--/free-co-factsheet.xhtml)



*“U.S. Global Investors is an investment manager and adviser to U.S. Global Investors Funds and U.S. Global Accolade Funds, business trusts which together offer a dozen no-load mutual funds generally geared toward long-term investing. Other subsidiaries of U.S. Global Investors provide transfer agent, brokerage, and mailing services. The company also engages in corporate investment, providing initial financing to start-ups and supplying capital to established businesses for expansion, acquisitions, [management](#) buyouts, or restructuring. It has more than \$2 billion in assets under management.”<sup>21</sup>*

US Global Investors (aka USGI) offers a very impressive array of content. The main attraction is the podcast archive. The various podcasts offered are weekly investor alerts, research reports on a monthly basis, portfolio commentary updated multiple times per month, and also other miscellaneous podcasts. There are also text transcripts for all podcasts, as well as PowerPoint presentations to accompany some of the podcasts. USGI also features biographies for their investment managers. The USGI website also has a weekly update website which features most of the articles and podcasts that USGI has offered in the past week.

## **Pimco Bonds**

*“Pacific Investment [Management](#) Company (PIMCO) is fixated on fixed-income products. With approximately \$500 billion in assets under management, the company is one of the world's foremost bond fund managers. PIMCO oversees nearly 70 funds invested in such financial instruments as corporate paper, emerging markets debt, municipal bonds, mortgage-backed securities, credit default swaps, and real estate investment trusts (REITs)”<sup>22</sup>*

The content offerings at the Pimco bonds website are rather sparse. There are a few videos that get updated every few months or so. These videos mostly consist of the Pimco investment managers being interviewed on television. The Pimco website is excellent, however, in how it is organized: finding the content is rather simple. Pimco also offers a single point where all the archived content is available. This archive includes market commentary articles, viewpoints, as well as detailed updates on Pimco products.

After looking at Calamos' competitors or firms in the same industry it was natural to review the content delivery systems of Calamos Investments.

## **Calamos Investments**

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<sup>21</sup> Retrieved from the website:

[http://www.hoovers.com/us-global-investors/--ID\\_46337--/free-co-factsheet.xhtml](http://www.hoovers.com/us-global-investors/--ID_46337--/free-co-factsheet.xhtml)

<sup>22</sup> Retrieved from the website:

[http://www.hoovers.com/pimco/--ID\\_41978--/free-co-factsheet.xhtml](http://www.hoovers.com/pimco/--ID_41978--/free-co-factsheet.xhtml)

*“Calamos Investments provides professional money management services to major corporations, public and private institutions, pension funds, insurance companies and individuals and is an investment advisor to open-end and closed-end funds. Calamos offers equity, global/international, balanced, high yield, convertible, and alternative investment strategies.<sup>23</sup> Calamos Investments currently manages about \$47 billion in assets.”*

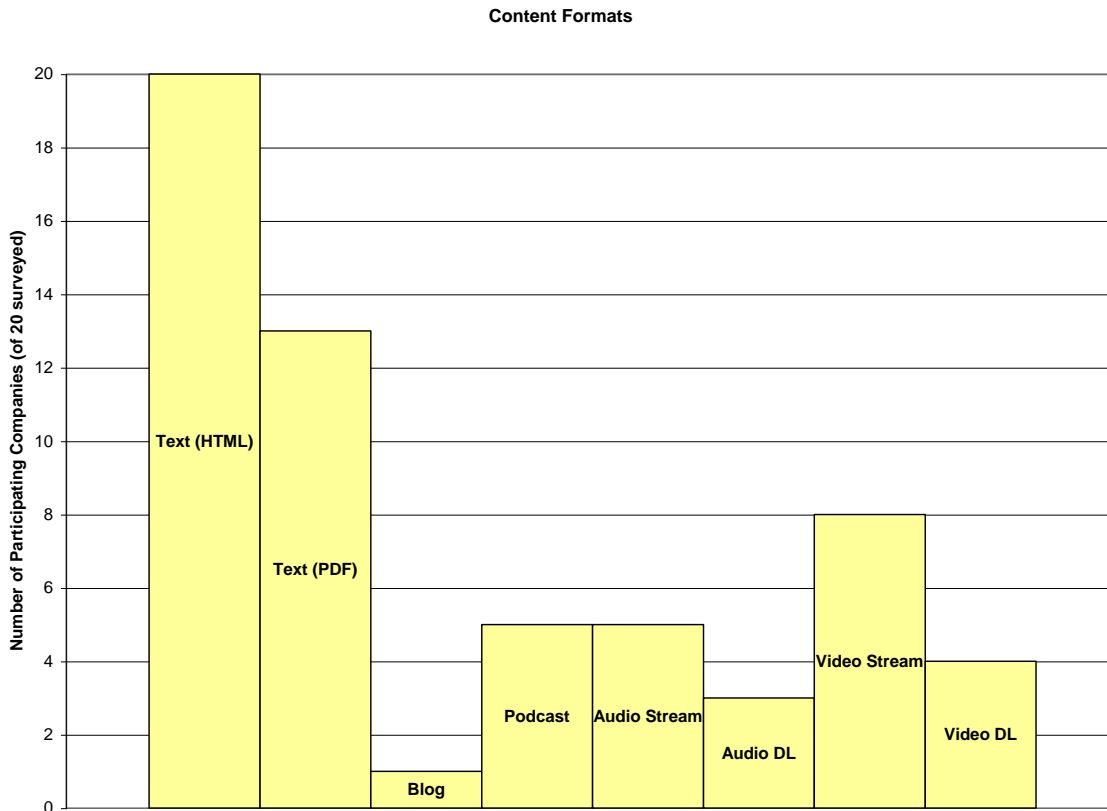
Calamos Investments has a nicely organized website with lots of recent content. On the front page there is a recent commentary section that informs the client of the different commentaries that are available. Apart from the 2006 Market Outlook and Portfolio Manager Q&A commentary, there are commentaries also on stock market, high yield market etc. The commentary archive has more commentaries in January 2006 than half of the 2005 year. There is also a section informing the clients of the upcoming TV appearances that involve John or Nick Calamos. The literature section consists of many forms concerning different categories that can be downloaded as PDF files. The company provides a series of TV appearances streaming videos that concern either their funds or the market. Furthermore, there are press releases twice a week. Press mentions of Calamos as well as responses to Wall Street Journal articles are also available to the clients. Investor Education articles, reports, quarterly investment updates and fact sheets are provided to Calamos’ investors. Finally a webcast( Earnings Conference Call) has recently been available to its investors. Investors can setup a reminder for the webcast and they can watch it using a Windows Media Player or a Real Player.

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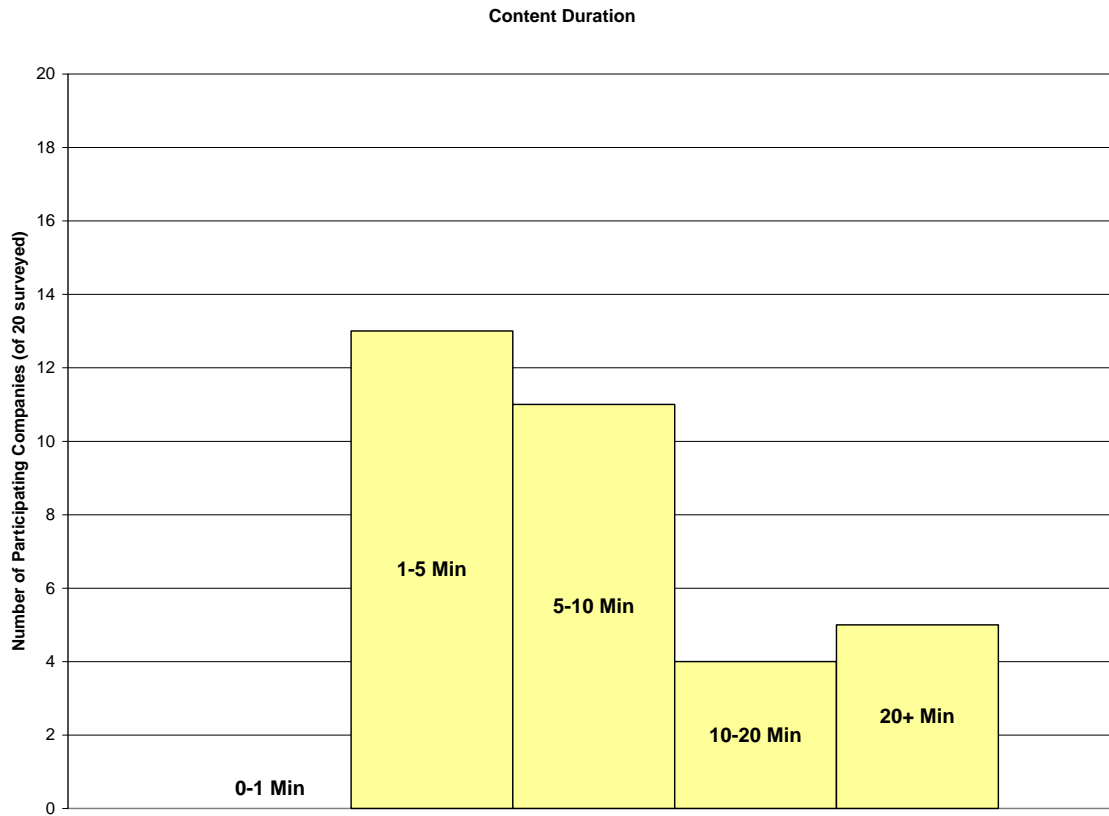
<sup>23</sup> Retrieved from the website:  
[www.calamos.com](http://www.calamos.com)

## ANALYSIS OF COMPETITIVE BENCHMARKING RESULTS

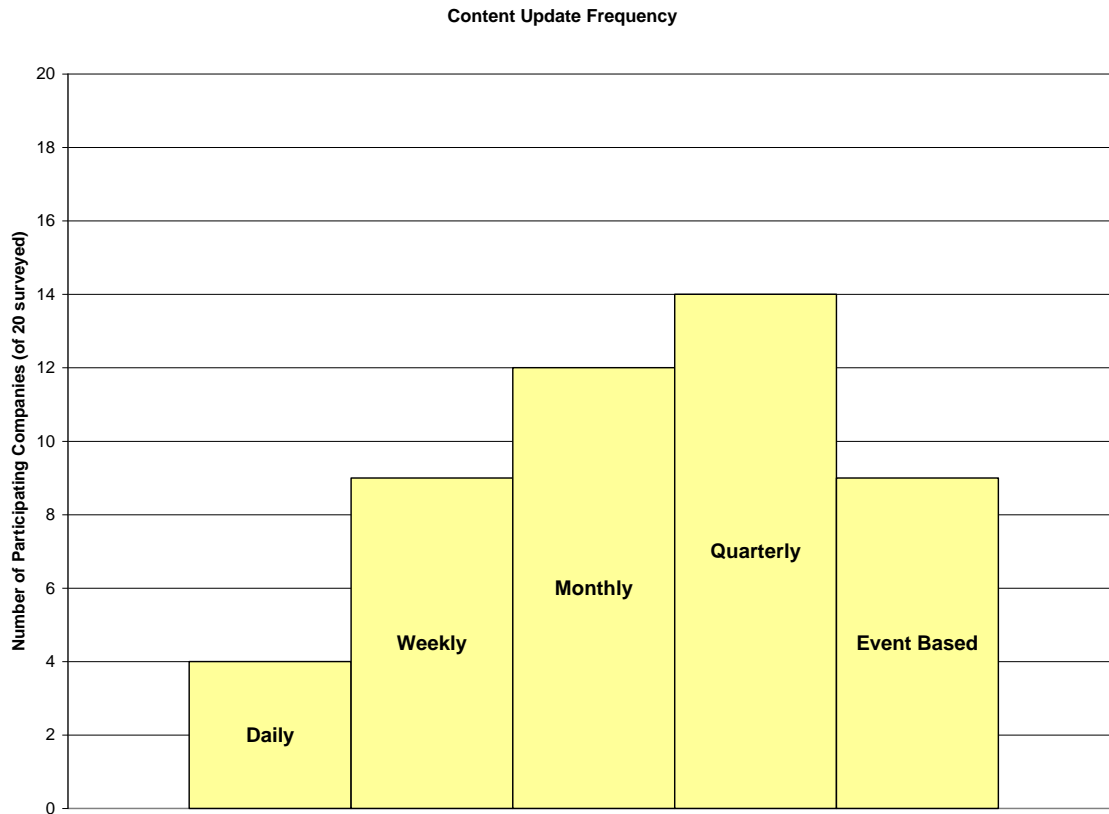
While the information about the content generating systems of all those firms was qualitative, we also conducted a quantitative analysis of our results. We produced an Excel File with different criteria on judging the different companies on content and produced graphs and rankings. The results of our quantitative analysis are shown below:



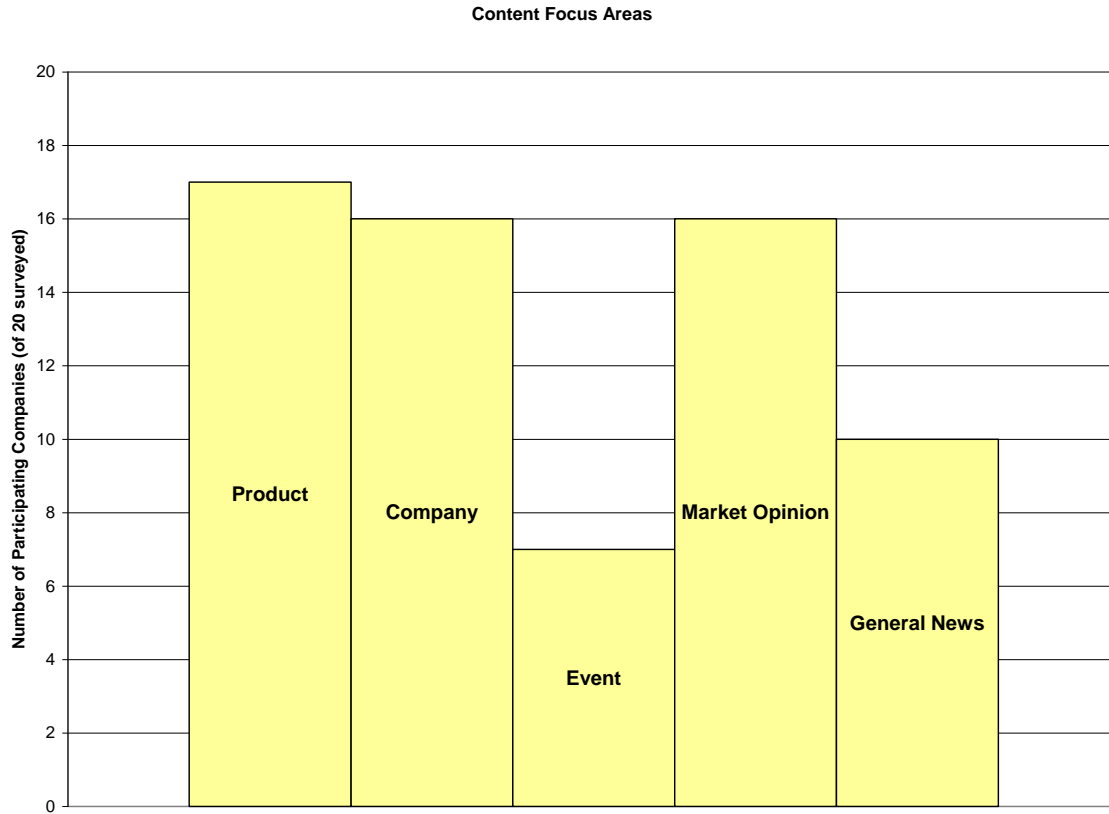
This chart shows the various content formats. HTML based text is obviously the most prevalent, but the various multimedia variants are also well represented. In raw numbers, audio is the most represented since it is the easiest to create and distribute. Video, however, like TV replaced radio, is growing rapidly, especially with large capacity mobile devices being able to play multiple formats.



The content duration chart shows that most companies produce content between 1 and 10 minutes. This is a convenient length for both consumption, storage, and distribution.



This chart, the content update frequency, shows that most companies are updating their content in the range of monthly to quarterly. This is likely due to a couple of reasons. One is that the smaller asset managements companies do not have the resources to devote to rapid updating. Also, constant updates may incite “investor fear,” that is to say that a constant stream of information may make investors anxious about the status of the finances. For companies that want investors to keep their assets at their company for as long as possible, this anxiety is not wanted. However, for trading houses, the constant news may trigger anxiety which may cause the investors to trade more often, thereby creating more trading revenue for the company.



The content focus area chart displays the various subject matters that the content could discuss. The product, company, and market opinion sectors are most prevalent probably because these categories are convenient in helping to sell things: funds, the company in general, or the ideology and investing positions of the company. Event and General news are not as well represented for the opposite reason.

## Top 5 Content-committed Companies Surveyed

These 5 companies all provide excellent content streams and have shown commitment to using the internet and digital information exchange as a vital part of their customer service plan.

### Merrill Lynch

- Executive commentary audio with accompanying PDF
- weekly investor outlooks in PDF
- daily news highlights
- Macromedia Flash Annual Report

### US Global Investors

- extensive Podcast archive
  - weekly Investor Alerts
  - monthly Research Reports
  - monthly Portfolio Direct Commentary
- Webcasts of exclusive research presentations

### American Century Investments

- Washington Watch Podcasts
- Weekly Market Update
- Quarterly Market Performance
- Quarterly Asset Allocation Perspective
- eTopics Archive

### Bear Stearns Asset Management

- "BearCasts" (aka Podcasting)
  - customer access only
  - Fixed Income reports
  - Equity reports
- Product specific videos

### Neuberger Berman

- Manager Insight Podcasts
  - market updates
  - investment processes and philosophies
- RealPlayer audio/video content (customer restricted access)
- "Knowledge Center"
  - Investment Basics
  - Advanced investor research materials
  - Fund specific literature

## DIGITAL TECHNOLOGY REPORT

### PROBLEM & METHODOLOGY

The first problem faced by the technology sub team was determining what technology should be used for the multimedia pilots. Working in parallel with the Customer Data subteam the group composed a list of the most popular mobile technologies. This list reduced by combining similar technologies in to approximately 15 separate technology pools. These technology groups were further reduce into three categories that encompassed the major areas of the mobile computing and communications world. Cellular Communication Set This technology group is the set of systems and software that is common to personal mobile communications.

### PERSONAL DIGITAL ASSISTANT SET

This technology group is the set of systems and software that is common to personal mobile computing. This set excludes devices that might be categorized as laptop or notebook computers.

### MEDIA PLAYER AND PERSONAL MEDIA SET

This technology group is the set of systems and software that is common to serving as a personal entertainment system. This set includes consumer electronics that could be categorized as portable video or audio players.

### VOTING PROCESS

After a first meeting with members of Calamos Investments at IIT the technology choices were voted on by the group. This vote reduced the pool of potential technology pilot platforms to a final set of three choices.

#### Sample Draft from the Technology Log

*Technology Sub Team Notes February 14, 2006*

1. Cell Phones

- SMS - Text message their private clients about new products, not personal
- SMS - Request up to date information from Calamos
- WAP - Mobile access to websites
- JAVA Application - Personal browser and information from Calamos, fancier than SMS an pictures. Banks personalize.

2. PDAs

- Mobile Application - Able to get information directly from



*Calamos. Up to date information via Wifi. Audio and Video capabilities.*

*3. Blackberry*

- RSS - Get up to date information via feeds, can get podcasts streaming(dependent on model)*

*4. Media Players*

- Audio*

- Podcasts - Keep clients informed of whats going on.*

*Generates personality for Calamos using John and Nick Calamos.*

- Podcasts - Do a podcast version of their book. Certain chapters dealing with their investment strategy.*

- Podcasts - Audio that can be ripped from the videos*

- Video*

- Streaming video - Having the ability to have a bi -weekly call in show*

- Videocasting - A walking tour done by Nick Calamos of the building and explaining the buildings technology and history.*

- Videocasting - Bi- weekly show for half an hour. It*

*should be cut up into specific segments and also together to watch on portable media.*

- Videocasting - Personal talking time with people at their restaurant*

- Videocasting - Audio clips along with photos of their outings*

## **Results of the Voting**

After the selection process three choices were determined as areas of interest for the team. These choices where: Branded Java Applets, Mobile Websites and content Media Players. A full draft for each of these concepts was created

## **Reduction of Possible Pilots**

After producing draft scope documents for these projects the technology team reduced the set of pilots to two pilots: Branded Java Applets and Media Players. The team was split into two smaller operational units that went on to construct the pilots.

# **TASKS AND DELIVERABLES**

## **PERSONAL MEDIA**

The Personal Media Group is a division of the Technology Sub-Team for IPRO 303. This group is responsible for researching and providing technology solutions needed to implement pilot ideas that will run on iPods and personal media players. The objective is to provide next generation pilots for audio and video iPod players that strengthen the Calamos communication strategy and reinforce the Calamos Brand.

## DELIVERABLES

- Pilot-MP-A Video Podcast for Video iPod Player (Personal Media Player)
- Pilot-MP-B Audio Podcast for Audio iPod Player
- Pilot-MP-C Mini Web for serving & subscribing pod casts

## TASKS

Milestone(s): Milestone 1 - (End of March)

Video Proof of Concept completed using existing media.

Outline of subscription system completed and ready for web implementation.

Primary work completed for Pilot MP-A and Pilot MP-B feeds.

Milestone 2 - (End of April)

Completion of MP-C Mini web for serving and subscribing podcasts.

Work with the IPRO 303 Content Group to encode audio and video podcasts completed.

## PORTABLE APPLICATIONS

This division will focus on the design and prototyping of a stand alone application for cell phones and mobile devices. The application would keep the user up to date with information regarding its Calamos account or services. In the future the application should be also capable of receiving multimedia content such as audio and video.

## TASKS

By the end of March the technology necessary to realize this project should be already selected. We are focusing in RSS feeds on JAVA capable cell phones so we must find how to receive and update the information. Should we buy an existing program and modify it or should we better start the development from zero. In April the prototype must be ready to test in cell phones. If we are able to buy a solution we should be able by then to make it look different. If the project needs a brand new program then we will prepare all the documents with the description of its functionality so future work can be done to achieve this goal.

The tasks for this group are as follows:

Study the technology available to do the project

On the Mobile part (RSS reader + Socket)

On the server side (RSS server)

Search for programs with a similar functionality

Search for small code with similar capabilities to use in an in house future project

Be able to brand the bought application in case this is the solution chosen.

Study future uses of the program audio/video delivery.

End with a prototype version that can be non functioning but that shows the user interface, uses and functionality of the program.

## PERSONAL MEDIA AND BRANDED APPLICATIONS



Calamos Branded Apps provide Calamos branded tools that can be installed on Java enabled mobile devices such as cell phones and PDAs. Private Client Group Customers (PCG) can use these applications to obtain information or to be alerted to news and events at the Calamos site. Provides Calamos with a direct channel to clients that is less intrusive than e-mail and that can be easier to use than web sites. Branded applications allow Calamos to maintain and extend mindshare.



Calamos Personal Media is the creation of audio and video content that can be played back on Personal Media Players such as MP3 (audio) players and Apple iPods (audio and/or audio and video).

Calamos Personal Media allows clients to be informed and inspired through multimedia experiences that allow them to get to see, hear and know John P. Calamos, Sr. and Nick Calamos. Because clients subscribe to this content, it is possible to tailor the experience to their needs and wants. Separate subscription channels may be created. While initial content may be designed for the Private Client Group some general content may also be syndicated to other channels such as radio and television outlets.



## **APPENDIX**

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## **ACKNOWLEDGEMENTS**

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### **Apple**

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### **BMP Manufacturing**

[www.bmpmfg.com](http://www.bmpmfg.com)

### **Virtual Reach**

[www.virtualreach.com](http://www.virtualreach.com)

### **UrbanaBox**

[www.urbanabox.com](http://www.urbanabox.com)