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US managers win the 'competitiveness World Cup', survey finds

By Luca Rossi on 10 June 2014

The United States has won the World Cup...for its ability to compete in international markets and as the most attractive place for marketers to approach.

That is according to a poll by US-based business consultancy group FS Associates.

The financial consulting firm canvassed a host of fund managers from 20 different nations which countries are the most attractive for future marketing of an asset class and who are the most competitive managers outside their home market.

The research, known as the FIF World Cup 2014 Survey, also revealed which managers are the most successful in defending their home markets against foreign competition.

This covered a range of five different asset classes, including domestic, foreign and emerging equities, as well as domestic and foreign fixed income.

Against this backdrop, the US proved to be the most competitive market with the 31.6% of those polled choosing it as their favourite destination. It was closely followed by the UK (28.3%), while Switzerland (10.6%), Germany (6.7%) and Australia (6.4%) also received some support.

Commenting on the results, a spokesperson of FS Associates said: ‘US and UK managers are well known for their aggressive pursuit of overseas assets, but these countries ranked surprisingly high in our opinion as target markets for managers worldwide.’

Making the most of marketing

The first question of the survey sought to identify which countries are most attractive as target locations for future marketing. The US, the UK, and Switzerland finished as the top three in this category.

Following this group, there were four countries which showed up strongly as an attractive target markets for others, but whose asset managers are not regarded as leading competitors abroad: Australia, Italy, Japan and Spain.

According to the research, Europe's asset management 'core' (Switzerland, Germany, France and the Netherlands) were well placed in the rankings for both questions. These are seen as attractive markets to target, as well as having asset managers which compete effectively abroad.

On the defence

The survey also revealed who are the best managers in defending their own market. For each asset class and each country, FS Associates identified how many of the leading competitors came from that country, and how many were from abroad.

The results showed the main differences stemmed from asset class, not country. There was a strong emphasis on equity, with home country competitors dominating here.

The global nature of the business is evident in the split of votes between foreign and domestic asset classes, with the first accounting for two-thirds of all survey responses.

'Home country competitors may dominate domestic mandates but when it comes to non-domestic mandates, like emerging markets, foreign equity and fixed income, those home country competitors accounted less than half of the votes.'

'Among the top ten countries, the only exception was the US, where the 54% of votes went to home country managers for non-domestic mandates,' FS Associates said.

Switzerland was highlighted as an interesting case, as the country was regarded as a wide open market for foreign penetration. In fact, most of the votes for leading competitors in the Swiss market went to non-Swiss managers.

'This is surprising given the presence of the large Swiss banks, but appears consistent with Switzerland's strong showing as an attractive target market for managers worldwide,' it said.