

**MEMO# 1130**

May 1, 1989

## **RESEARCH REPORT - CHANNELS OF DISTRIBUTION**

May 1, 1989 TO: MEMBERS - ONE PER COMPLEX NO. 12-89 DIRECT MARKETING COMMITTEE NO. 15-89 MARKETING COMMITTEE NO. 9-89 PUBLIC INFORMATION COMMITTEE NO. 12-89 RESEARCH COMMITTEE NO. 10-89 SALES FORCE MARKETING COMMITTEE NO. 15-89 SHAREHOLDER COMMUNICATIONS COMMITTEE NO. 11-89 BROKER/DEALER ADVISORY COMMITTEE NO. 20-89 BOARD OF GOVERNORS NO. 28-89 RE: RESEARCH REPORT - CHANNELS OF DISTRIBUTION

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Enclosed is a copy of a recent ICI research report based on the study of distribution channels for mutual funds. The report is titled "The Distribution Connection - Channels Link Shareholders to Mutual Funds" and is available only to members of the Investment Company Institute. The Institute has recently completed this extensive research project which identified the attitudes, characteristics and other variables that link mutual fund owners to specific distribution channels. The study is particularly timely since, in recent years, mutual fund firms have sought to compete more effectively in the financial services marketplace by offering consumers an increasing number of ways to buy funds and a wider range of sales charges and services from which to choose. The data from this study are available to members in a variety of ways. There are printed tables that support the data explained in this report. These tables are available on request to Sandy West, (202) 293-7700. In addition, the data are available in ASCII files on seven diskettes. Copies of these diskettes and supporting documents will be made available to members on request at a nominal cost of \$50. Members will need to format the diskettes for use according to the data analysis package used by each complex. The data are also available with an analysis program for use on any IBM compatible personal computer. This package was developed by our research consultants, National Analysts of Booz.Allen & Hamilton Inc., and is available only to members at a price of \$2,800. The cost includes updates and software support for one year. This expenditure could be particularly useful to a complex which desires to exploit fully the richness of the raw database but for whom specialized software or technical computer personnel to program the data are not available. For any of these options or to inquire about the report itself, please contact Sandy West, Director or Marketing Research at the Investment Company Institute. Jacob S. Dreyer Vice President & Chief Economist JSD/m Enclosure