



Why Private Capital Markets Need Public Relations

By M. Corey Goldman

The implicit assumption is that a lawyer is schooled in and understands the law and the process behind it, and works toward protecting their clients' interests, providing value for their service.

Public relations is arguably similar: schooled in the world of media and trained in the court of public opinion, public relations professionals provide service and expertise on everything from how to get a message out about a new product or service (think Apple) to how to navigate and fight back when the court of public opinion has already rendered judgement (think United Airlines).

Of course, navigating the legal world and the media world are two very different things. Yet few opt to navigate the legal system without representation. Indeed, explaining why one doesn't step into the courtroom without a lawyer remains much easier to explain to a company or individual than why handling their own public relations isn't necessarily the most prudent course of action.

The financial services world, and the capital markets realm in particular, typically has placed PR pretty far down on the "might consider having" list. And for seemingly good reason: In a world where returns generally speak for themselves and relationships are everything, standing on a soap box touting one's brand, expertise and capabilities is somewhat *de rigueur* – it's simply not how things are done.

Or is it?

A quick flip through the top fold of the daily newspapers, or a stroll through Toronto's underground PATH network, literally assaults one's senses with ads from various financial services firms. From banks to mutual fund companies to ETF providers and others, smiling, happy, retired couples aided by maps, compasses, lighthouses and other guiding metaphors abound – replete with little asterisks and fine print noting in legalese that, "Past performance does not guarantee future results."

While advertising and marketing still very much have their role and place in grabbing the public's attention, the advent of social media, digital platforms and a potential target audience far beyond newspaper readers or PATH walkers is now the norm. Take a look at the folks walking through the PATH or frankly anywhere around any town: they're likely not reading a newspaper or gazing at a billboard – they're nose-down in their smart phones.

What an advertising or marketing expert will tell you is that you need to get your ads online, which is not entirely untrue. A good ad on the right medium can help elevate your offering, your visibility and your brand. What a PR pro will tell you is that, more importantly, you need to get your true voice out there – your genuine story, viewpoints and perspectives that make people not only see and understand what you do, but also how and why you do it – and why they should join you for the ride.

Communications at its core is story-telling. It goes beyond “who you are” or “what you do” towards how and why you do it. It's about giving life to what you do and establishing the means to build a connection between you and your clients – not just one-way messaging. People aren't likely to remember every figure and percentage point they see on an ad boasting high returns and positive results; they will however, remember a story about a fund manager with a compelling take on the day's market activity, or a great anecdote explaining why a particular investment did well for their investors.

Yet, in a sector that has long relied upon traditional marketing and advertising to bring in clients, not to mention past returns and pictures of compasses and lighthouses, the argument for shifting toward a story-driven public relations and communications campaign still resonates as a “nice to have.”

To be sure, the PR industry has long struggled to highlight to the finance sector in particular its value: even in today's digital, algorithmic world, there is still no foolproof way to draw a line between someone hearing, viewing or clicking on what you said and signing

on the dotted line. With private capital markets in particular, there is even more skepticism – that the typical target investor or client isn't on social media, doesn't want or need to hear views or a “story,” and, as the moniker suggests, is more “private.”

The true value of public relations to financial services and private markets in particular – which for that very reason is understandably overlooked by financial services – lies in the fact that publicity through positive and consistent media presence is the most effective and reliable way of actually establishing visibility, authority, and credibility; factors that are all growing increasingly important to prospective clients who in today's world know the difference between spoken to, or with.

Think of it this way: The next time you're presenting to a board or group, consider that at least one of those individuals, either before, after or even during your spiel, has already done a Google, LinkedIn and even Instagram search on you and your firm – looking to not only see whether you have a presence online, but what exactly you say about who you are, what you do, and why you're different.

Of course, there is still a place for advertising and marketing, and there likely always will be. But now more than ever financial services – private capital markets included – need to embrace a broader communications strategy geared toward not just reaching – but resonating and communicating with – their target audience.



M. Corey Goldman, CEO
Goldman Communications Inc
✉ info@goldman-communications.com

