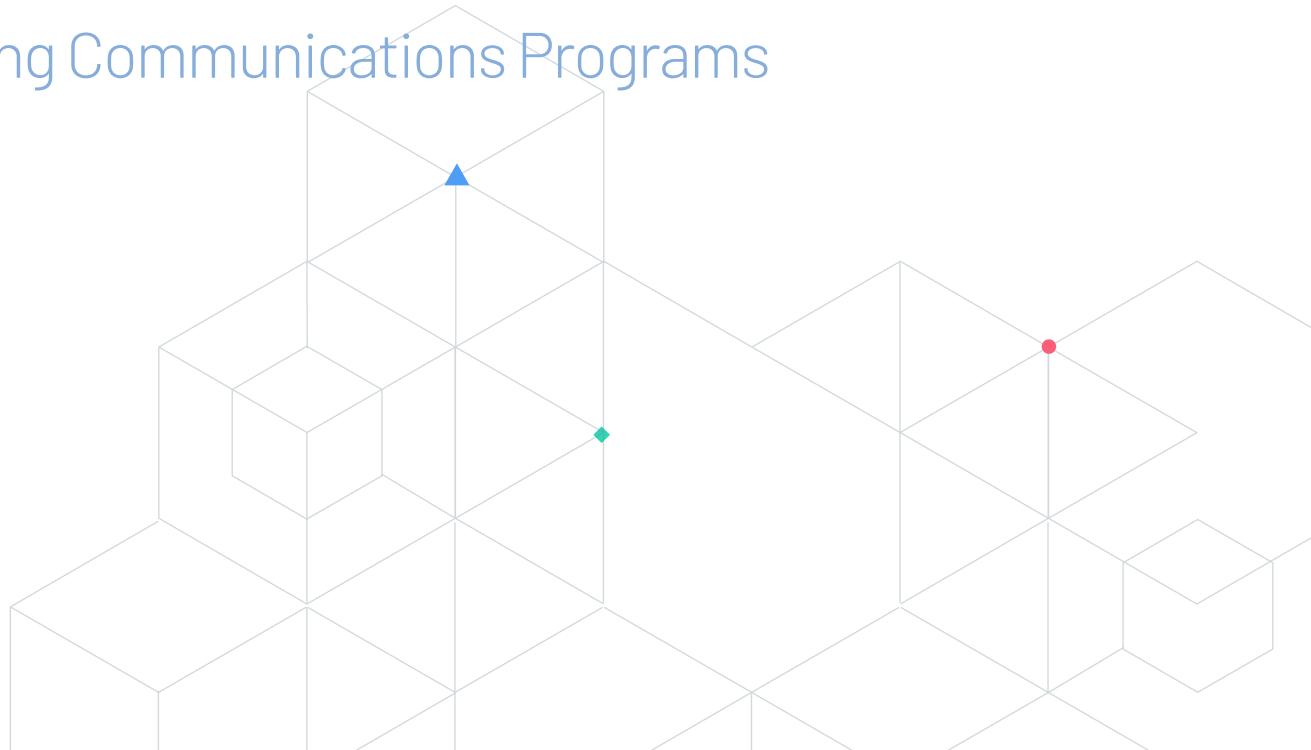




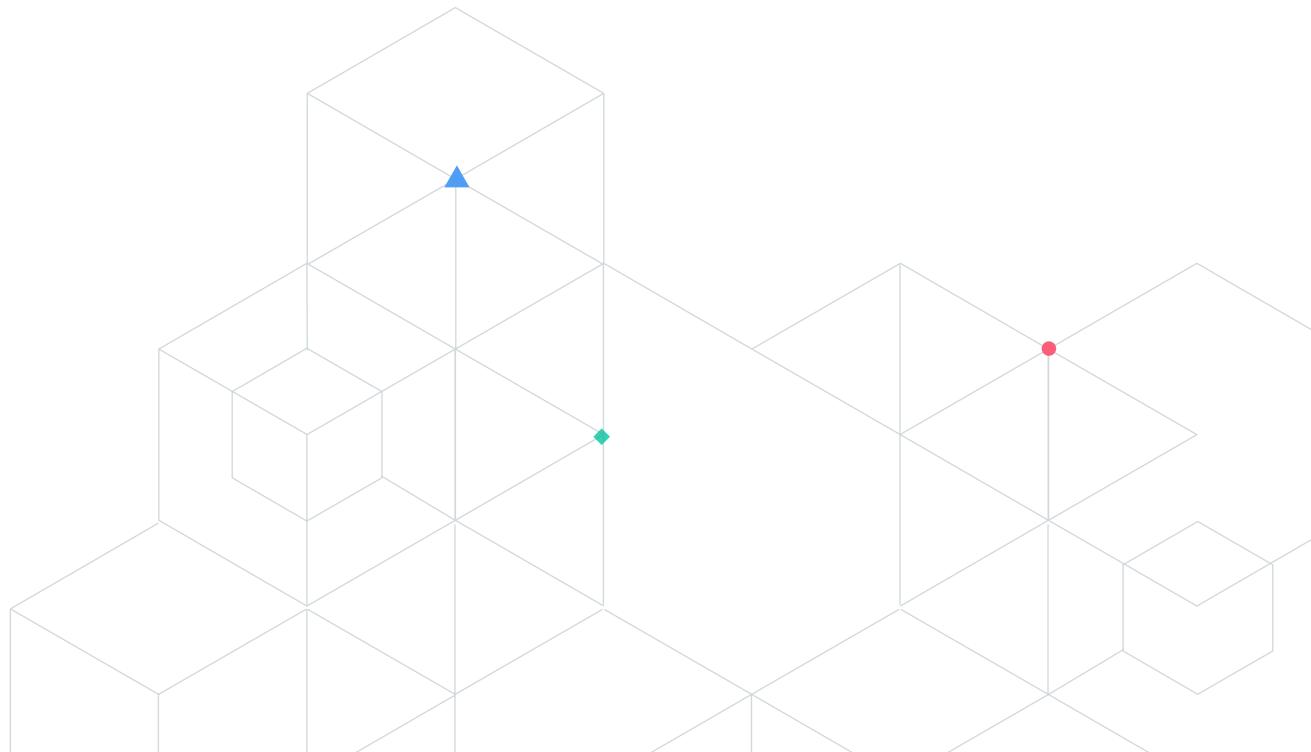
The Power of Marketing Communications in the Modern Capital Markets Firm

Driving Better Deal Sourcing, Investor Relations,
and Fundraising Outcomes through Best-in-Class
Marketing Communications Programs



Contents

Introduction	3
A Message from the President	4
Building a Best-in-Class Marketing Communications Program	5
• Email	5
• Social Media	8
• Websites	10
Constructing an Integrated Marketing Program	12
Putting Best Practices into Action	13



Introduction

Back in the day, capital markets firms – especially private equity investors – purposely flew under the radar to avoid attention that could jeopardize valuable relationships and mission-critical business activities. In recent years, that has changed drastically, with capital markets regularly making front-page national news. Firms now invest significantly in marketing and communications programs to not only protect their reputations, but also achieve the full coverage required to maintain strong relationships throughout the firm ecosystem. Effectively, marketing and communications programs have evolved from a necessary evil to a vitally important function with respect to sourcing deals and raising funds.

At the beginning of 2020, private equity firms were sitting on a record-high **\$1.5 trillion** in cash – double the amount they had in 2015. When combined with a significant increase in the total number of firms chasing a limited number of attractive deals, this situation makes a recipe for fierce competition.

To successfully compete, capital markets firms need to differentiate themselves from the competition, showcase their talent, highlight their strengths, and tout their successes to bolster their credibility and stay top-of-mind with clients and other key stakeholders – and they need the right technology in place to make that happen.



“...marketing and communications programs have evolved from a necessary evil to a vitally important function...”



Ben Harrison
President, Financial Services, DealCloud

Message from the President

Since founding DealCloud 10 years ago, I've seen a variety of trends affecting the capital markets sector come and go. For the most part, the industry hasn't changed much over the past decade, with the exception of how we consume information. Today, we are bombarded with communications streaming in from a deluge of sources and channels across a multitude of devices, which makes it increasingly challenging for capital markets firms to break through the noise.

To stay relevant and top of mind, capital markets firms need stronger, smarter, and more consistent cross-channel marketing programs to place themselves inside the stories where deal professionals are already engaged. Best-in-class firms are building data-driven marketing programs powered by robust technology solutions that automate analytics, surface key learnings, and provide firmwide access to mission-critical information. Offering the entire firm access to data empowers relationship owners – deal and fund management professionals – to directly involve themselves in the marketing process. Enlisting voices outside the traditional marketing function fosters valuable collaboration and transparency, which leads to better outcomes.

In today's environment, getting your message across is more difficult than ever. We offer this strategic brief to inform how to build and implement a successful marketing and communications program that generates incremental opportunities, fosters strong relationships, and strengthens the firm's brand.

"...capital markets firms need stronger, smarter, and more consistent cross-channel marketing programs to place themselves inside the stories where deal professionals are already engaged."

BEN HARRISON, PRESIDENT, FINANCIAL SERVICES, DEALCLOUD

Building a Best-in-Class Marketing Communications Program

With the wide host of marketing channels available to capital markets firms, our recommendation is to start simple, beginning with the channels where your audiences are already engaged: email, social media, and web. Building and executing an integrated communications plan across these three channels can make a measurable impact on marketing success.



Email

As the most mature and entrenched marketing communications channel, virtually all deal professionals are familiar with email, and access it regularly on their smartphones and laptops to conduct deal sourcing, origination, and transaction communications. Typically, email exchanges between colleagues are conversational – the sender and recipient are already engaged. By contrast, email marketing communications need to grab the attention away from mission-critical messages. A number of tried-and-true email marketing techniques can make or break your campaigns:

Segmenting Audience Groups

The traditional email blast – sending out a message to anyone and everyone on your email list – can get you into trouble in more ways than one. An email blast is untargeted by definition, and when your closely held contacts get tired of irrelevant messages, they're likely to opt out, which means that they will no longer receive any communication from you. Further, when subscribers click the dreaded "Mark as Spam" button, email providers – like Gmail and Microsoft Outlook – receive that notification and can universally blacklist your email campaigns.

This is why it's critically important to create sublists that segment email recipients based on common attributes, including factors like business sector, industry specialization, company size, relationship activity, geography, or job title. Tailoring your content to these refined profiles both protects deliverability and discourages opt-outs. Other ways to keep your content on target: Avoid purchasing email lists, remove bounces from the list promptly, and implement an opt-in protocol that asks your recipients to expressly agree to receive your email communications.



Pro Tip: Implement a proactive opt-in protocol to protect deliverability and prevent opt-outs.

Building Email Campaign Architecture

Email can be an excellent vehicle for sharing timely and valuable content, including industry perspectives, research reports, press releases, new-hire announcements, and other relevant information. To help your campaign stand out in a crowded inbox, you should customize templates and add graphics for a polished presentation that grabs the recipient's attention.

In addition to offering an appealing visual experience, fresh and relevant content is key. Carefully consider the right mix of content and offers; your recipients will be receptive to content that they can apply to their own work, and materials they can use to promote their firm's success.

To ensure messaging consistency and a seamless distribution of quality content, plan your email sends as integrated campaigns. Start by building the criteria for your target list and identifying and cross-tabulating the appropriate attributes for recipients of your campaign – industry, job title, and company size. Once you've compiled the list, build the content plan by determining how many communication drops you'll need, and the appropriate intervals between the emails. Next, draft the whole series of communications from start to finish, and review the message flow as an integrated whole.

Preplanning campaigns not only prevents errors and omissions, but also ensures a higher-quality experience for the recipient, which in turn drives better engagement and conversion. Using a purpose-built marketing solution – like **DealCloud Dispatch** – allows dealmakers to schedule and send deal announcements, press releases, industry coverage, analysis, and newsletters. When you create a systematic marketing campaign, you'll see your metrics skyrocket.



Pro Tip: Preplan campaigns for a superior experience, better engagement, and stronger conversion.

Optimizing Content Performance

When kicking off content creation, it's important to start with a clear purpose for your email campaign. You may want to inform the market about an industry development, educate stakeholders about a key tax consideration, or entice your audience to register for an event. A clear perspective on the content's purpose not only helps you create a solid framework for your marketing communications program, but also prevents you from sending irrelevant messages. Following the guidelines below will meaningfully move the needle on your email marketing metrics.

Writing Compelling Subject Lines

With respect to content presentation, the devil is in the details. Small nuances – starting with the email subject line – can make a huge difference. If the subject line doesn't resonate, readers won't click through; and, if readers don't click through, none of the rest matters because your content won't be seen. The most effective subject lines align with established best practices:

Subject Line Best Practice	Why It Works	Example
Fine-tune segmentation	Microtargeting allows for tailored content that's highly relevant.	You're invited: NYC roundtable on capital markets tech trends
Sacrifice cleverness for clarity	Clarifying the click-through benefit up front is crucial; it's hard to be clear and clever when you have limited characters.	Download our Q2 healthcare industry whitepaper
Communicate urgency	Giving readers a reason to move quickly – like a deadline or limited-time offer – spurs action.	Last chance to register for the tax planning webinar
Pique interest with questions	Posing a query that implies the recipient has a solvable problem garners higher click-through rates.	Is your firm compliant with COVID-19 best practices?
Use numbers for authority	Including numbers in the subject line – backed up with sources in the body of the email – conveys credibility.	65% of firms are missing out on this game-changing tech



Experts agree that roughly 70% of emails marked as spam by algorithms are flagged because of the email subject line; using **certain words** can result in your message being automatically blocked or filtered into the recipient's spam folder. You'll want to keep a close eye on other spam triggers, including:

- Subject lines with all caps, exclamation points, and colored fonts
- Questionable links
- Lengthy email body
- Attached files

The ideal subject line **length** is between 28 and 50 characters; for audiences that are primarily accessing email on smartphones, shorter headlines – between 28 and 39 characters – garner better open rates.

Establishing Cadence

Although you should experiment with optimizing email cadence, a biweekly schedule is a good starting point for most firms. If the delay between emails is too long – like once per quarter – you're unlikely to gain any traction with your audiences. Conversely, weekly emails can come off as overkill, which can drive opt-outs. Once you have access to campaign analytics, you can experiment with cadence to determine the best approach for your firm.

Creating Content

With respect to the body of the email, brevity is tantamount. Instead of writing a lengthy message, keeping the copy brief – and inserting hyperlinks to content on your firm's site – is a highly effective way to drive readers to key content that's shareable, thereby expanding your reach.

The call-to-action (CTA) is vitally important, because it's the conduit to the information that you want your readers to view and share. The CTAs in your email campaign should feature not only precise and actionable verbiage, but also bright colors and thoughtful placement. Stylized buttons featuring compelling phrases that encourage readers to click will perform significantly better than passive text presented inline. However, limiting the number of CTAs prevents readers from becoming so overwhelmed that they don't click through at all.



Pro Tip:

Insert hyperlinks to valuable and shareable web-based content to expand the reach of your campaigns.

Assessing Analytics

Email marketing solutions capture engagement metrics that can help you continuously refine your campaigns. Without analytics capabilities, it's impossible to track sends and engagement in ways that can help you improve campaign performance over time. The following metrics for capital markets firms are the most critical:

Metric	What It Captures	What It Tells You
Open Rate	The open rate captures the percentage of recipients that open a given email message.	Favorable open rates indicate strong subject line performance; a 20% or higher open rate is a reasonable goal.
Click-Through Rate	The click-through rate captures the number of people who clicked on a hyperlink, image, or CTA button; the rate is calculated by taking the total number of clicks an email received divided by the total number of delivered messages.	Favorable click-through rates indicate strong CTA performance; a 2.5% click-through rate or higher is a good benchmark.
Click-to-Open Rate	The click-to-open rate compares the number of unique clicks to unique opens; unopened emails are not counted.	Favorable click-to-open rates indicate that your email message, design, and content were effective, and that your CTA created enough interest for the recipient to take action; a 25% click-to-open rate is a solid target.
Unsubscribe Rate	The unsubscribe rate indicates the percentage of people that received your message who opted out of receiving any further messages from your firm.	Low unsubscribe rates indicate that your readers welcome your communications, or at least are unbothered by them. You should target an unsubscribe rate of 0.2% or lower; anything above 0.5% is problematic and should be addressed to protect deliverability.
Hard-Bounce Rate	The hard-bounce rate indicates the percentage of undeliverable email addresses — those recipients with email addresses that need updating.	The hard-bounce rate should never exceed 2%; if your bounce rate is higher, it's critically important to spring-clean your email list and remove or update addresses that are bouncing to protect deliverability.



Social Media

When your senior investment professionals publish thought-leadership pieces, it's important to take the next step to get their ideas in front of your key clients and prospects. Social media channels serve as a highly effective vehicle for expanding the reach of this content and boosting engagement — both of which keep your firm top of mind in a favorable light.

Peregrine recently published **research findings** highlighting the success of midmarket private equity firm using social media to distribute and share content. In this case, the overall traffic to the firm's website increased 13%, with referral traffic — defined as traffic originating in other websites — increasing 119% compared with the preceding 3 months. Further, the average time that unique visitors spent on the site doubled, an indication that these visitors were engaging more deeply with the firm's content. Outcomes like this example demonstrate the power of social media to drive crosschannel marketing metrics for capital markets firms. The strongest social media programs span multiple platforms to take advantage of the unique features and benefits that each vehicle brings to the table, helping you reach and engage your audiences.

Leveraging LinkedIn

LinkedIn is the premier professional networking platform; savvy dealmakers have deep, expansive, and highly valuable networks resulting from years of growing their breadth of contacts. Because capital markets firms are by nature relationship-driven, LinkedIn can be especially useful for dealmakers looking to not only put a face to the name, but also learn about a contact's experience, education, skills, and interests, which can inform decisions on whether to do business together.

Although your dealmakers may not consider LinkedIn a marketing vehicle, it's a vitally important channel that firms can't afford to ignore, because it's precisely where audiences are engaging and looking for more information. When it comes to social media marketing, polishing your firm's LinkedIn presence – including both the business profile and those of individuals – should be the number one priority. For old-school dealmakers reluctant to engage on social media, LinkedIn is a great place to get started. At a minimum, all firms should be implementing the following measures:

1. Use professional headshots for profile pictures
2. Populate the headline on individual profiles with key skills and expertise for search optimization
3. Connect individual profiles to the company page

Many dealmakers regularly post short updates – things like plans to attend trade shows or a deal tombstone. This practice keeps them active in their contacts' news feeds, which in turn keeps them top of mind. LinkedIn is also a good place to share published long-form content – via excerpts of 500 words or less – to showcase thought leadership. Remember that individuals participate on LinkedIn to build their businesses and advance their careers; they'll respond positively to quality content that helps them achieve these objectives.



Pro Tip: Implement mission-critical LinkedIn best practices firmwide, and link personal profiles back to the company page.

Taking Advantage of Twitter

Twitter can be a great venue for commenting on events and market developments as they unfold. When a big deal goes down, you'll find key stakeholders sharing their thoughts – in 280 characters or less – with their followers and tagging their posts with relevant hashtags like #PrivateEquity and #MnA. Many stakeholders – including venture capitalists, growth equity professionals, and technology-focused investment bankers – react and respond to posts quickly, creating expansive threads that tap into the networks of different users.

Twitter's most impactful feature is the retweet function. This feature allows viewers of your post to distribute your content to all of their followers with a single click, with or without comment. If an industry influencer takes a shine to your post, your news could land in front of millions of capital markets professionals in an instant.

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Because Twitter's length restrictions are so stringent, it's not the vehicle for long-form content. If you do have in-depth content that you want to share with your Twitter followers, write an eye-catching headline that directs them either to your LinkedIn page or firm website.

Unlike other social channels, if your followers aren't logged in to Twitter when your tweet is sent, they are unlikely to see your content. This is why it's important to send multiple tweets throughout the day – or even over several days – to successfully promote your content. However, it's a good idea to vary the wording to avoid annoying those followers who might be seeing more than one tweet.



Pro Tip: Implement a content strategy focused on garnering retweets from key influencers to rapidly expand your reach and improve your metrics.

Utilizing Facebook

Whereas LinkedIn and Twitter are fully entrenched in the capital markets ecosystem, Facebook and Instagram have yet to establish a foothold. Some capital markets firms use Facebook to create communities for employees and stakeholders to interact with one another on a less-formal basis. Facebook is perfect for sharing holiday party pictures, teambuilding events, and other employer-sponsored social interactions. By contrast, Instagram is typically reserved for personal relationships.



Pro Tip:

Use Facebook to capture casual social interactions between colleagues that are not suitable for LinkedIn.



Websites

In its recently published **guide** – part of a dealmaker series – Axial reported that 92% of individuals visit a firm's website as their first point of contact. For CEOs who are researching potential finance and business partners, 89% report visiting the firm's website as their first step. Because your website is the conduit through which virtually all of your stakeholders will first experience your brand and content, it's important to not only make a good impression, but also communicate key messages, areas of expertise, successes, and differentiators.

Business owners and buyers have grown more internet-savvy than ever and will study your website to evaluate whether or not they want to do business with you. If your website is stale and outdated, small tweaks – things like adding a "contact us" call-to-action that links to a webform for subscriber capture – can make a big difference. Other must-haves include photos and bios for your team members, clear definition of areas of expertise and deal criteria, and highlights of completed transactions.

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If you already have this content in place, assess how your firm appears in search results for keywords and phrases. Consider these factors from the viewpoint of a buyer and seller: If a business owner searches for “business broker in Nashville,” does your business appear? Similarly, you will want to be visible to a strategic acquirer searching for “healthcare services investment bank San Jose.”

In addition to delivering a great first impression, your website should provide a destination for important contacts to stay informed and engaged with your firm. To ensure that visitors look forward to visiting your website, provide carefully curated content that differentiates your firm, spells out your unique perspective, and highlights your successes – and, make it easy to find the content.



Pro Tip: Your website makes the first impression for potential finance and business partners. Crisp messaging, sleek design, and quality content moves stakeholders to the next step of engagement.

Creating the Right Website Content

Building the Blog

Websites with blog content garner search-engine-indexed pages at more than four times the rate of sites without blog posts. Aside from the clear search benefits that blogging delivers, the firm’s blog is a great way to showcase your firm’s timely insights and perspectives. Optimally, blog posts should range between 200 and 700 words, and – like email campaigns – should be published on a regular cadence.

Visitors to your site should be able to navigate the content easily. You can help by creating landing pages, topic tags, and other categorization aids. A blog also offers a great way for senior dealmakers to share their thoughts on news and trends. As part of the process for building a blogging program, it’s important to build in controls that ensure compliance with regulatory requirements.

Highlighting Media Coverage

Regularly posting press releases and firm news to your website publicizes your activity and generates attention within the industry. Media coverage is particularly important, because it provides third-party validation for your marketing messages. Additionally, press releases that contain hyperlinks to in-depth content on your site – like blogs, reports, white papers, and more – provide an opportunity for your firm to collect contact information from the people who have accessed your content.

Incorporating Video

Because it’s a great way to market your firm in a dynamic format – one that adds a human element in ways that the written word cannot – the proliferation of videos has exploded. Time spent **watching videos** jumped nearly 60% between 2016 and 2019, and site viewers spend **88% more time** on sites with video content.



Pro Tip: Incorporate videos on your site to increase engagement, and use your blog as a vehicle for search engine optimization.

Constructing an Integrated Marketing Program

Building an integrated marketing program requires a centralized resource to shape individual contributions into a cohesive whole. Many firms struggle with this piece of the puzzle because they're bogged down by legacy systems and siloed data. Technology solutions – like **DealCloud Dispatch** – enable a unified view of the firm's marketing efforts while creating transparency across the firm. To succeed with this collective effort, firms need to focus on the following:

Fine-Tuning Messaging

Solid messaging requires firmwide buy-in, so creating the messaging should be a collaborative exercise. With **63%** of the Top 100 global private equity firms creating public-facing content, it's important to achieve consensus on what messages should be communicated externally.

Although readers find insights on news and trends interesting, best-in-class firms focus on communicating their strategic approach as well as the differentiators that make them unique in the marketplace. Whereas it used to be taboo to openly discuss strategy, experts agree that outlining investment philosophies increases perceived expertise and trustworthiness. To avoid running afoul of compliance issues, firms should build a centralized library of approved language – all of which passes muster with the compliance officer – and ensure easy, firmwide access.

Managing the Details

It's critically important for firms to implement systems that ensure that junior team members and support staff can initiate marketing activities without introducing regulatory risk; modern marketing platforms provide customizable controls with different levels of access, enabling broad marketing efforts while preventing compliance issues.

With respect to firmwide coordination, centralizing the pacing and content of marketing communications spares your stakeholders from a disjointed content experience. For instance, if the head of the healthcare deal team is sending out one email per month, but email recipients are receiving communications from five other members of the team, the recipient feels bombarded due to the lack of coordination.

On social media channels – particularly LinkedIn – willy-nilly personal posts featuring different (or worse, competing) takes on the same topic can lead to communication chaos. To ensure unified messaging across social media channels, implement a policy whereby the firm releases a statement, followed by team members sharing the approved content provided to expand its reach.

Without follow-up, communications programs will be for naught. Firmwide reporting of quality analytics encourages dealmakers to own the outcomes their marketing efforts generate. Witnessing the effectiveness of marketing efforts – through an integrated, automated platform – reveals valuable insights that can inform campaign efforts on the go-forward. Put simply, the more invested your team members are in the outcomes that marketing is driving, the more likely they will connect the dots and triangulate a path that maps to the firm's goals.

Putting Best Practices into Action

To succeed, capital markets professionals must embrace the marketing function as well as the technology behind it. These tools allow dealmakers to send sophisticated, polished communications to their key relationships, which enables firms to broaden their network and reach. This, in turn, facilitates better firmwide coordination and reporting on metrics – and the impact can be truly transformational.

With a technology solution like **DealCloud Dispatch** in place, firmwide visibility creates a common view of marketing activities. The solution should be connected to the data that the firm relies on for everyday business development and relationship management initiatives. Point solutions don't cut it for modern capital markets firms, whether they're boutiques or mega funds.

The beauty of modern marketing solutions lies in their ability to delegate marketing tasks across the firm, with results tracked in a single location, transforming data into valuable institutional knowledge.

Start leveraging the power of marketing communications:

Built for the capital markets, **DealCloud Dispatch** centralizes your firm's business development and marketing activities into one unified platform.

See the platform for yourself – [schedule a demo](#) of the technology today.

