



GATEWAY INSIGHTS

December 2008

9 Often overlooked and undervalued – the benefits of PR

How effective is your current Public Relations (PR) strategy for your business? Does your business have a PR strategy? Or is your PR strategy on paper but never really acted upon? Here at Gateway Financial Marketing (Gateway) we felt that our own PR strategy could do with a review and that got us thinking - if ours needs a check-up so might our clients. To help us tackle these questions we signed up to do the Press Pass Media Training course run by 64 Media, a Sydney based boutique communications consultancy, specialising in PR.

What we did know before we signed up was that marketing and advertising are different to PR. PR is definitely the harder piece of the puzzle – it requires a need to create content, it requires discipline and it requires time. Not that marketing doesn't require these things, but marketing is usually seen to be an activity that every organisation has to and does participate in, in some form or other – PR however is optional. Surprisingly, the effects of PR can often outweigh the effects of marketing and, if you can learn to do it yourself, PR is free! So let's take a closer look at what this is all about.....

What is the difference between Marketing and PR?

The difference between marketing and PR is simply that you pay for marketing and advertising, you don't pay for PR. The 64 Media course helped us to understand that PR is really about communicating who you are, what you do and how you make a difference through news coverage. It is not only about content; it is about projecting your organisation, your culture, your beliefs and your resources at the same time. That's why PR is a key part of the promotional aspect of the marketing mix.

For our clients the key benefit of using PR, in addition to generic marketing efforts, is that you can portray your business in a certain way. With positive PR you make your business more public friendly – this can mean gaining the confidence and trust of current or future investors, research houses, asset

consultants, administration platforms and other industry participants. PR is a very cheap and effective way to do this. The other key benefit identified by Gateway is that, unlike advertising, editorial publicity carries the perception of an unbiased third-party endorsement. And the benefits of a positive endorsement by the media can hardly be understated.

What about PR for boutiques?

It's not just the large financial houses that need to have a PR strategy in place. In our industry, boutique fund managers make up a large part of the market. Now more than ever, boutiques face a special challenge when trying to diversify their offering from say the single wholesale investor to the broader mass market i.e. mezzanine and retail investors. Boutiques generally have a high profile fund manager whose name is used as a marketing tool, but ultimately the company brand and offering has to be promoted as well for long term sustainable growth of the company.

A well-executed and sustained PR effort helps small organisations like boutique fund managers to reach the broad audience necessary to alert industry participants such as research houses, financial advisers and direct investors that they are serious players in this market. Effective PR can deliver the editorial mentions, and even endorsements necessary to convince the financial planning community that the boutique name is safe to buy.

Whilst financial planners and other investment professionals use independent research combined with their own experiences to evaluate products, there is no doubt that they also turn to the media to learn about solutions, and to help choose between potential offerings. Many prospective direct investors do not look beyond these endorsements and make purchase decisions based on the credibility of the organisation and its products in the media. We all know that relying on this alone is not the optimal approach to product evaluation.

The benefits of an effective PR strategy

PR allows fund managers, financial planning groups or service providers such as Gateway, to deliver their messages to large audiences. Magazines and newspapers, whether on paper or online, typically measure their circulations in the tens of thousands. Broadcast media, like radio and TV, typically measure their audiences in hundreds of thousands and millions.

A fund manager, large scale or boutique that is "in the news" is more visible and more interesting. A research house that is creating "news" stories is also more visible and potentially commands more attention with financial planning groups. Good publicity can attract capital, partners and employees as well as potential investors. It can position your business as "the expert" and the "thought leader". This is invaluable, and incredibly cost effective in terms of equivalent marketing dollar spend and ROI.

Large fund managers with strong brands, boutiques and research houses can reap huge benefits from effective PR. If you've been wondering what the benefits to your organisation might be we've summarised a few that we think are some of the most important.

- ✓ Brand awareness – you may have an existing brand that is well known, a relaunch or a new product launch but positive PR gets the message over to potential clients that your product or service is a must have
- ✓ Market positioning – tell potential investors what you do, how you do it and why you do it better. Reinforcing your market position builds confidence in your service and products and reassures investors you have what they are looking for.
- ✓ New markets – if you are looking to expand internationally offshore or a global manager looking to come to Australia use PR to tell potential investors why you are doing this and why you would be worth looking at vs. existing market players. Some positive PR can establish a level of confidence in you that advertising won't.
- ✓ Dealing with bad news – it's inevitable that most companies have to deal with this at some stage. Gateway have always been big believers in being proactive wherever possible and in the case of bad news, presenting the facts in a way that honestly puts forward your company's side of the story in the best possible light is the preferred option. The more ways you can communicate good or bad, the better. Carefully managed PR strategies in these times can certainly limit potential damage.
- ✓ Cost savings – as we've said a few times PR delivers high value for a relatively low cost. What it does require though is discipline.....which leads us on the hard part.....

PR requires discipline, discipline and more discipline

We've mentioned that PR is a non compulsory activity for any business which creates a tendency to focus on paid work, client requests and dealing with the day to day hum drum. Businesses need to create opportunities with regards to PR. It doesn't just happen! And this is the hardest part of the whole PR story, you need to be disciplined to create content, you need to be disciplined to get it out there and you need to be disciplined to do this on a regular basis for maximum impact. There are no short cuts.

Tips for creating an effective PR strategy

How do you go about creating an effective PR strategy? (with thanks to 64 Media)

1. Think about the best forms of PR for your business – print media, television or a simple blog?
2. Keep informed – listen to the TV, radio and read the papers, this makes it easier to create content.
3. "Create" your own news – aim to have a news piece every month. Even if you think it's not noteworthy it still creates repetition which creates brand awareness. For example, news opportunities can include milestones (turnover, number of customers, 10 years of operation, outstanding investment performance), launch of a new product, financial results, research

papers, winning of new mandates, market research results. There are many many more than those mentioned – our key point here is that with a just a bit of effort - developing content should be easy.

4. Get to know the publications and journalists if you can – the best way to do this is to attend industry events and target them! Network and network again - it's free!
5. Don't reinvent the wheel – think of different spins on news and topics that are already in the public domain, think of as many angles as you can.
6. Each organisations needs a key spokesperson – ensures consistency, repeatability and a build up of brand awareness.
7. Every organisation needs key messages and proof points – these need to be reinforced throughout any PR activity.
8. We know you're busy – so if it all sounds too hard, use a PR agency! It is infinitely more cost-effective and infinitely more credible than advertising.

And finally.....

There is no doubt that PR should play a key role in how your organisation is viewed in the public domain – it should define, create and capture the culture and professionalism of your organisation. An effective PR strategy can build and maintain trust and enhance your reputation with existing and potential investors and clients. These factors will increase your chance of success in today's highly competitive market place in Australia. Fund managers and financial advisers need to think about how they communicate and the implications of that in a world where there is often information overload and more modern methods of information dissemination are seriously increasing in popularity. This is the time to recognise the opportunities that disciplined and effective PR can provide.

www.64media.com.au

About Gateway

Gateway Financial Marketing (Gateway) was established in February 2004 by Amanda Rethus and Edwina Best for the purpose of offering fund managers, other product providers and international new entrants, expert advice, services and assistance in negotiating entry into the Australian Retail Financial Services market. Use of Gateway's services provides the opportunity for clients to overcome the hurdles that can often confront fund managers when transitioning from institutional to retail and hence improve participation in retail funds flow. Prior to Gateway, Amanda and Edwina spent over 30 years combined with major institutions in the Retail Financial Services market.

Our qualifications

Amanda has over 20 years experience in the Financial Services industry and was formerly a Divisional Director in the Financial Services Group of Macquarie. Amanda managed investment portfolios for over 10 years, and has spent in excess of 10 years introducing investment products to the Australian Retail market.

Edwina has a Bachelor of Business from UTS majoring in Marketing and International Business. She has over 12 years experience in the financial services market, concentrating in relationship management, product management and marketing. They both have extensive contacts in the retail financial services market especially with key decision makers.

If you would like to confidentially discuss your current approach to the retail market or have any questions on the above please do not hesitate to contact us on – Edwina 0404 046 179 or Amanda or 0414 658 323.