

SuperReturn



Private Equity Brand Study

Summary of findings

Results summary

The private markets have undergone a period of sustained growth since the great financial crisis of 2008-09. As the economic outlook deteriorates and expectations of recession increase, the industry is facing its first real challenge since that time. In that period, the private markets have also become a more integral part of the financial system, attracting both greater scrutiny from regulators and increasing interest from new pools of investors. Against this backdrop, we decided to look at how private equity firms are approaching brand management.

The findings show that the need for a strong brand in private equity is already important and has become more so in the last two years. Mounting competition for deals, an increase in the number of private equity firms in the market and competition for LP funds are all commonly identified as key drivers of this trend, with the need to recruit and retain talent also mentioned by multiple respondents.

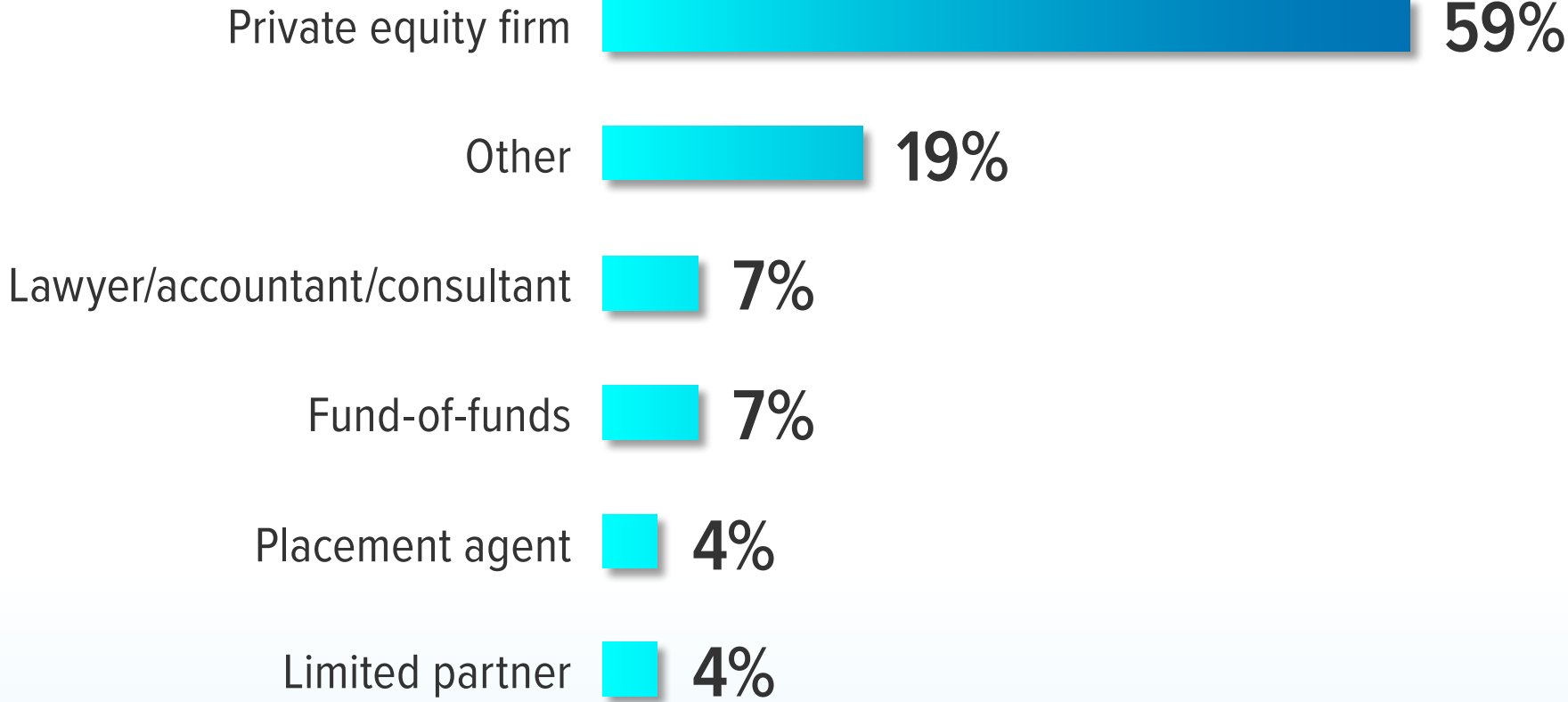
Despite the recognised importance of brand, nearly half (47%) of the private equity firms surveyed described their brand awareness as 'fairly weak' or 'not very strong', with just 13% describing it as 'very strong'. The results indicate that this is becoming an increasing area of focus with the majority planning to increase their investments in marketing and communications in the next two years.

Firms are looking to employ a wide variety of marketing tactics, with e-mail communications, thought leadership content, conference speaking, case studies, social media and media relations all identified by at least half of the private equity firms surveyed as parts of their marketing mix.

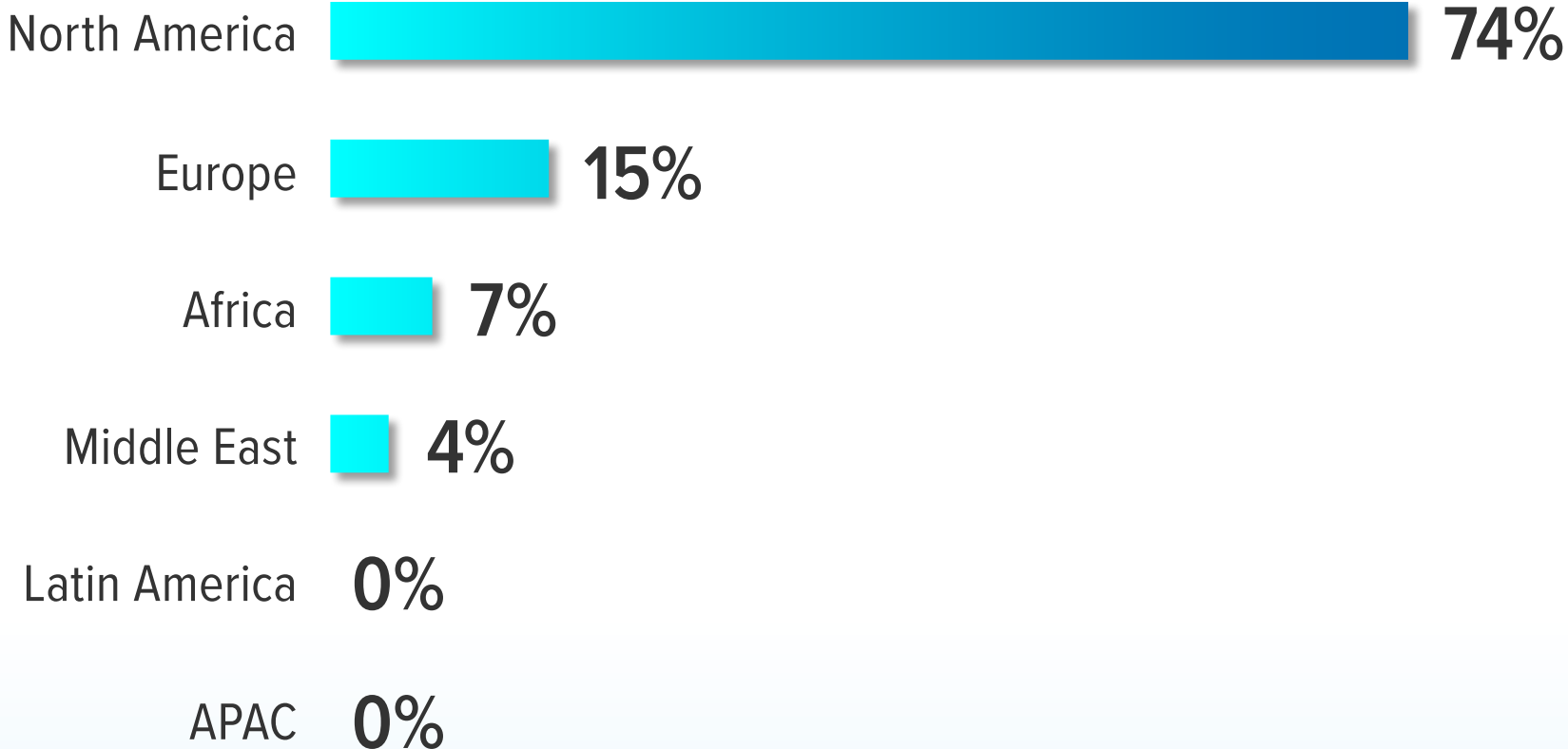
Methodology

General partners, limited partners, fund-of-funds, consultants and other private markets professionals across 27 firms globally were surveyed online between March 12, and April 17, 2023 with a combination of multiple choice and open-ended questions.

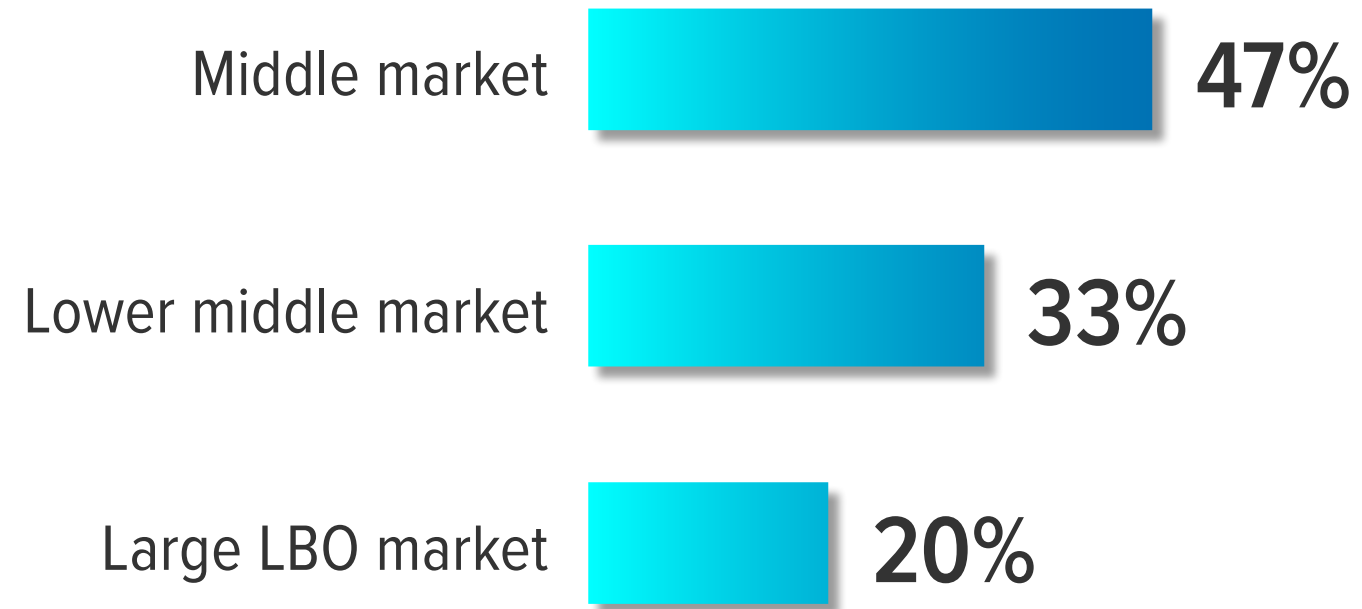
What best describes your organization/profession?



Where are you based?



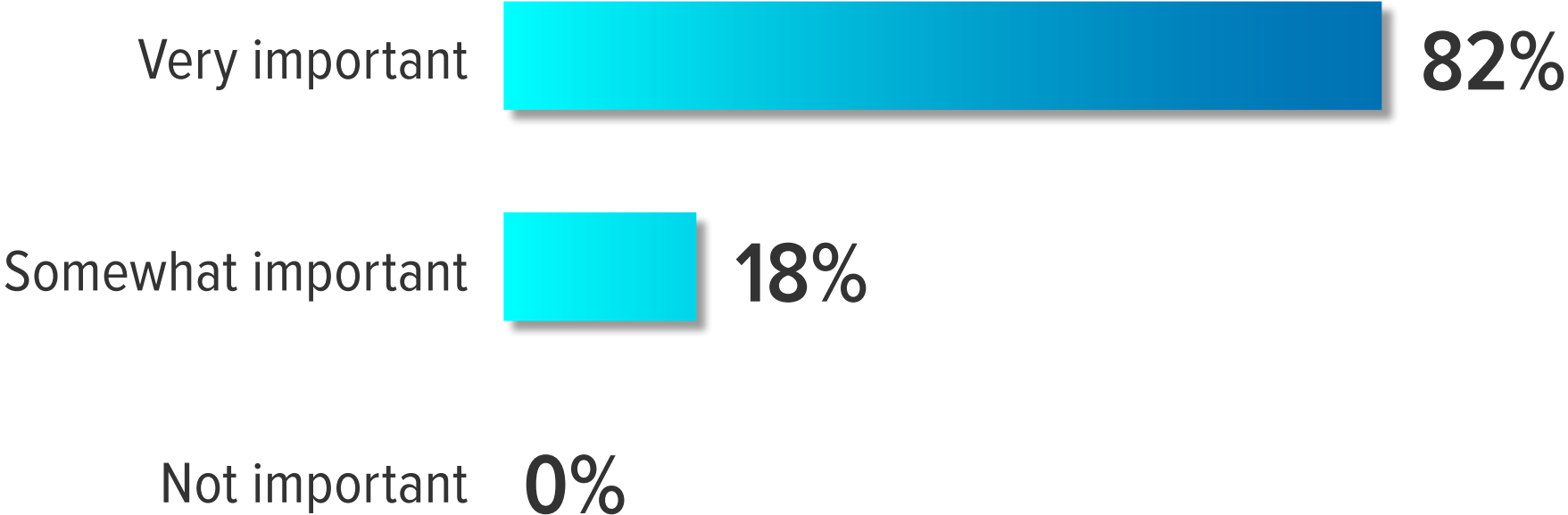
How would you categorize your firm's focus?



“The importance of focusing on building a strong brand to support fundraising and investment success in the private markets cannot be underestimated. The number of private equity firms has exploded over the last decade, resulting in a lot of firms chasing a limited number of deals. And in the last 12 months the fundraising situation has become more challenging. GPs are looking at how they can make sure they stand out and stay in front of stakeholders across the board, including investors, company owners as well as potential employees. While performance will always be the key to success, differentiation, storytelling and ongoing communications are becoming a bigger part of the picture.”

— Bill Haynes, Founder & CEO, BackBay Communications

How important is having a strong brand for private equity firms?



All respondents that answered this question said having a strong brand was important with over 80% saying it's very important.

How important is having a strong brand for private equity firms? Comments

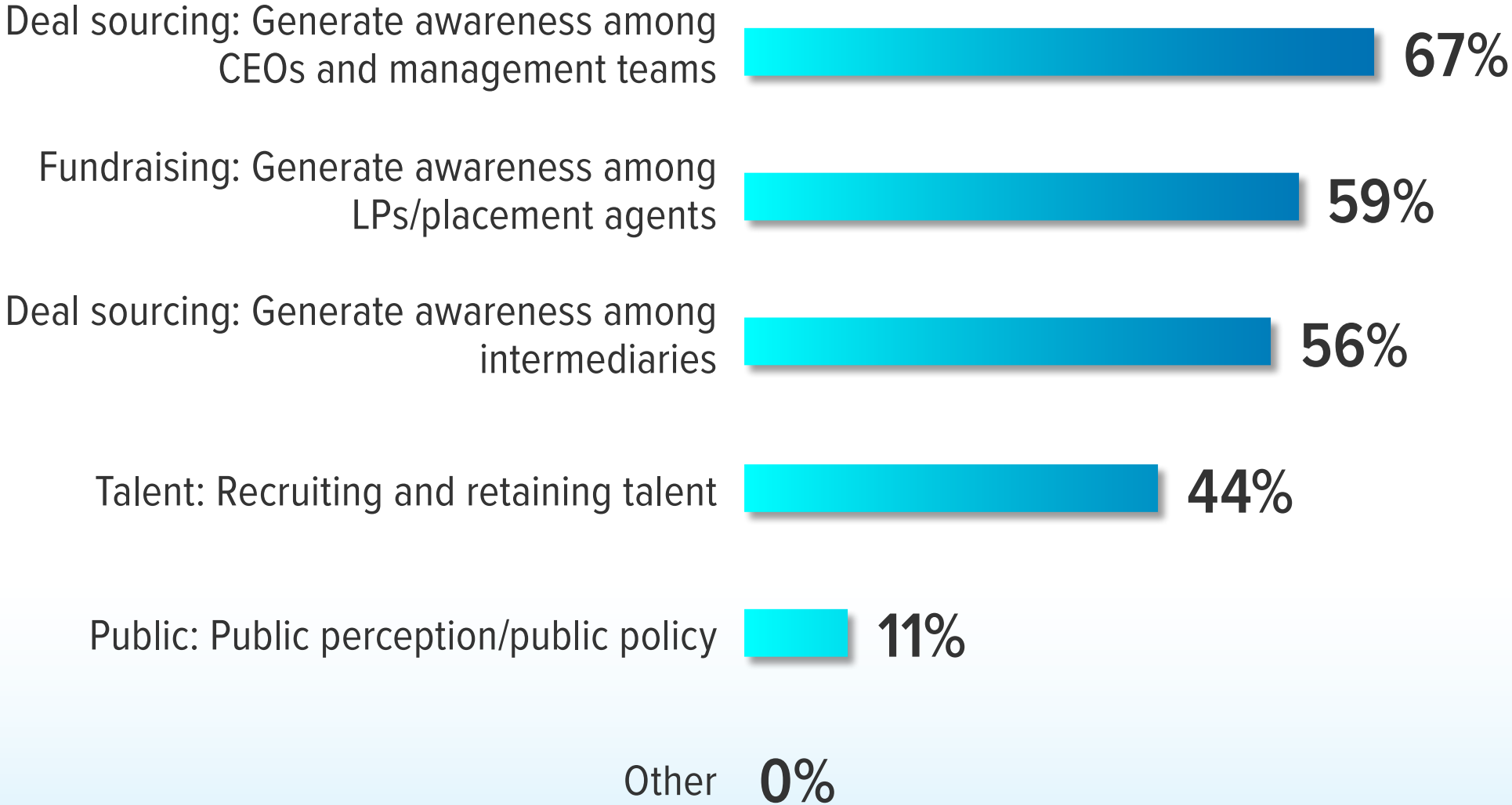
“It is an extremely competitive market for fundraising, deal flow and attracting talent and having a strong brand will put your firm in a much better starting position.”

“Depends on the audience. A focus on traditional branding initiatives can be offputting to investors. But branding to potential sellers of businesses is a different story; it helps to be clear about your strategy and culture when sourcing investments.”

“Helpful when expanding into RIA channel and sourcing [deals].”

Why is it important for private equity firms to have a strong brand?

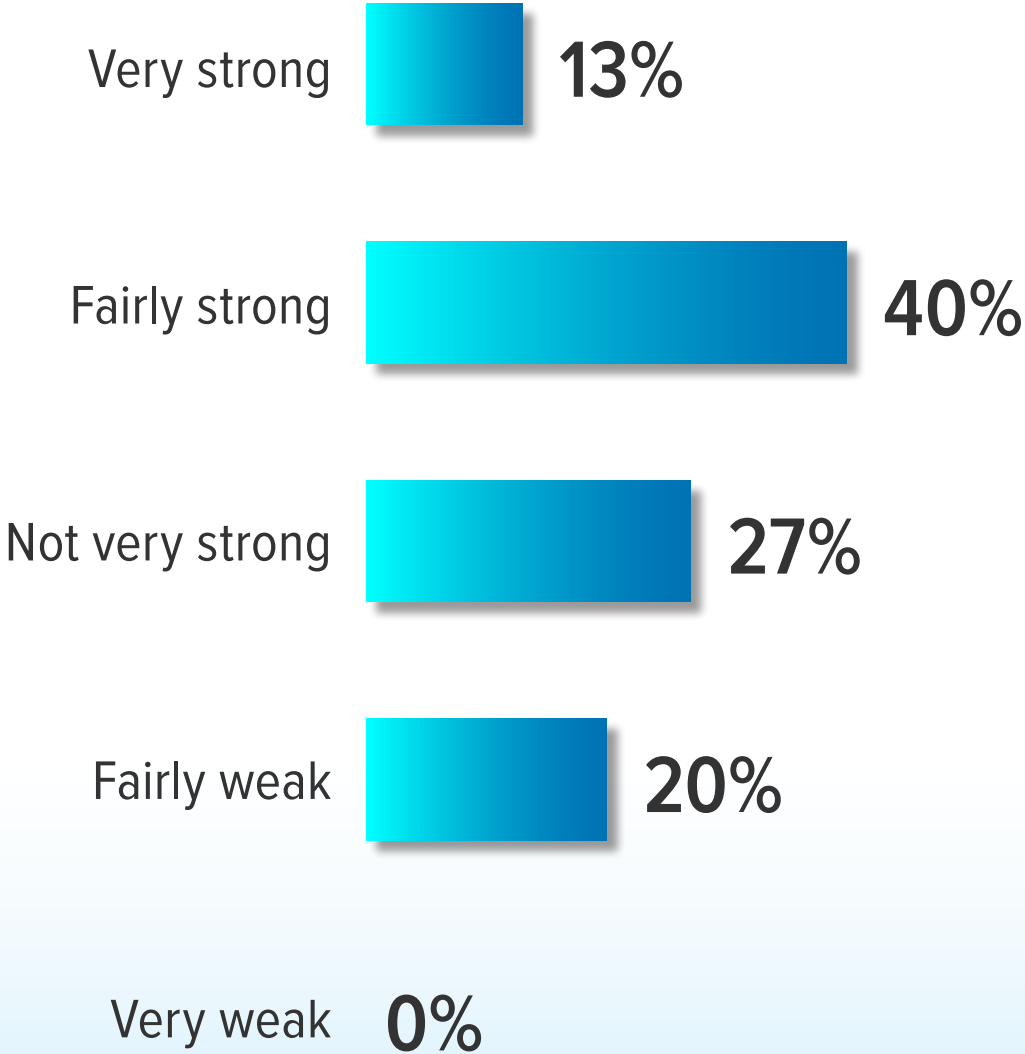
(select up to three)



Deal sourcing/CEO awareness is the most commonly identified reason for needing a strong brand, ahead of fundraising/LP awareness

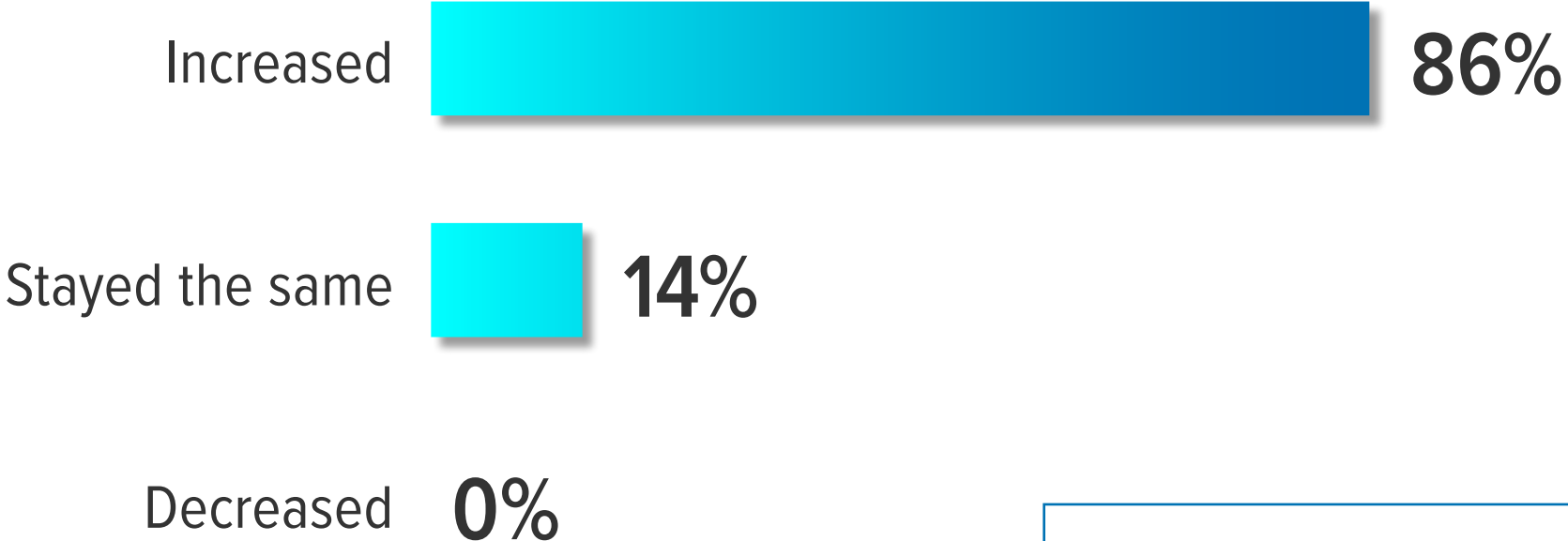
How would you describe awareness of your firm's brand in the marketplace?

(for private equity respondents only)



Despite need for stronger brand, nearly half (47%) of GPs surveyed said their brand was 'not very strong' or weak. Only 13% said it was very strong.

Over the last two years, the need for a strong private equity brand has:



Vast majority say the need for a strong brand has increased in the last 2 years.

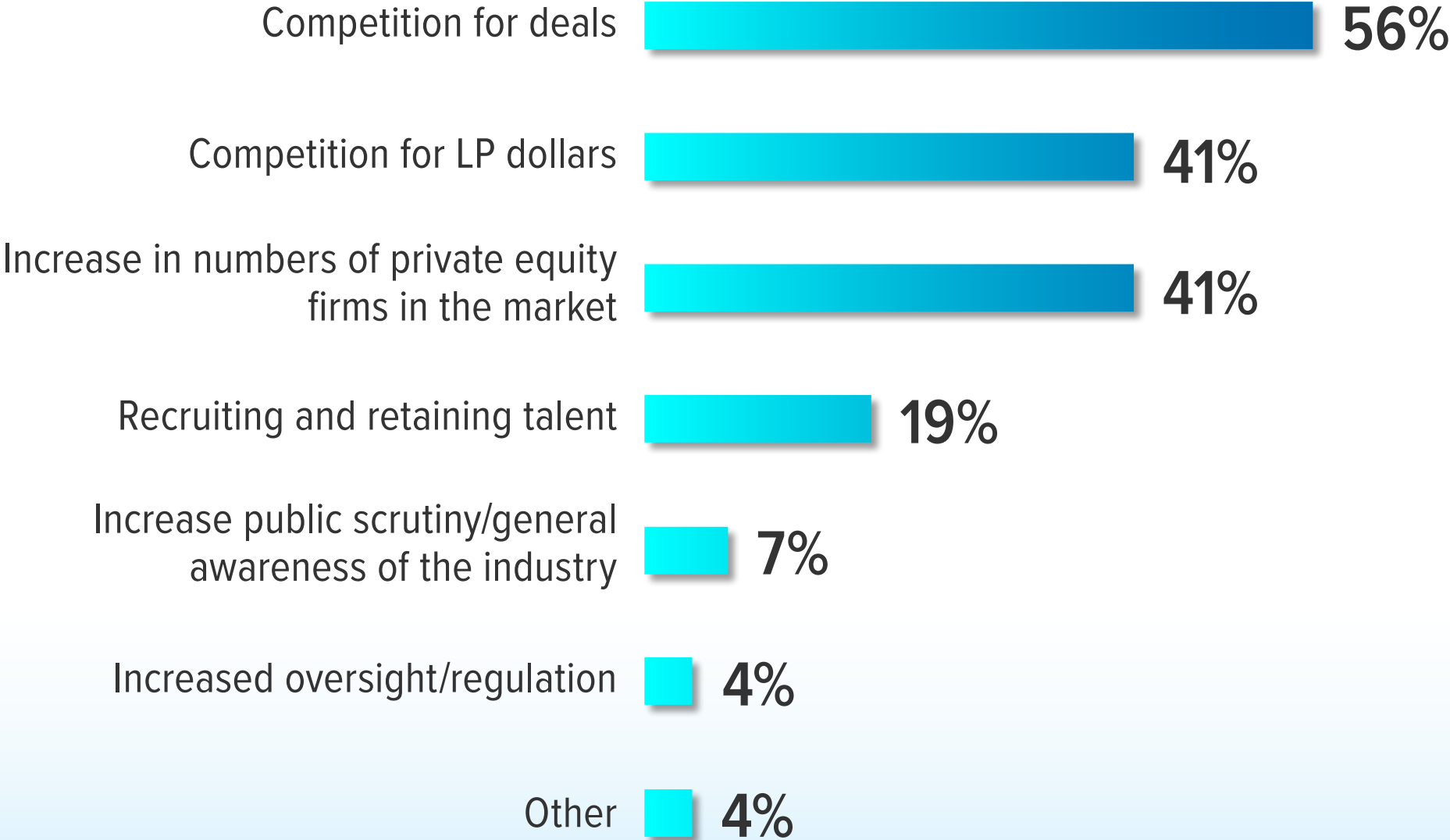
“[There is] increased competition for deals and for attention.”

“As more negatives come out regarding private equity and more competition arises, strong brand will be a differentiator.”

“These findings support what we’re seeing and hearing from our network. The industry has grown massively in size and is incredibly competitive so being able to stand out is important. As we enter a tougher economic environment, those firms with a compelling investment thesis and convincing USPs will be well-placed to succeed.”

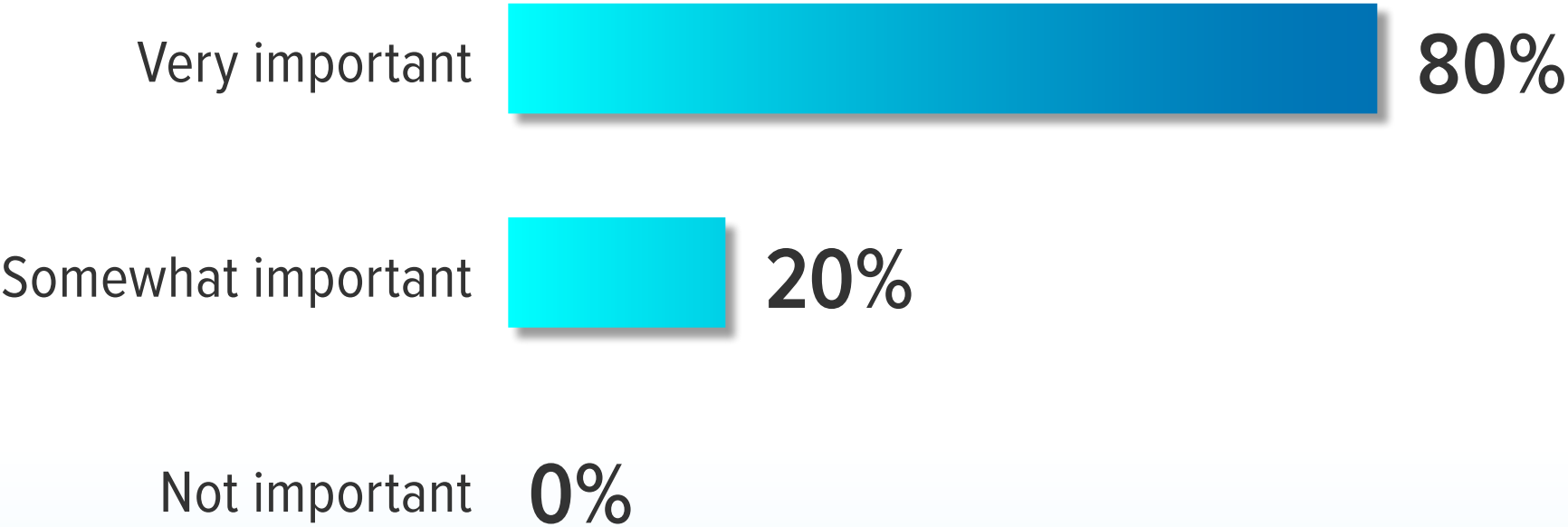
— Dorothy Kelso, Global Head of SuperReturn

What is driving the need for a stronger PE brand? (select up to three)



Need for stronger brand driven by competition for deals, dollars and a more congested market.

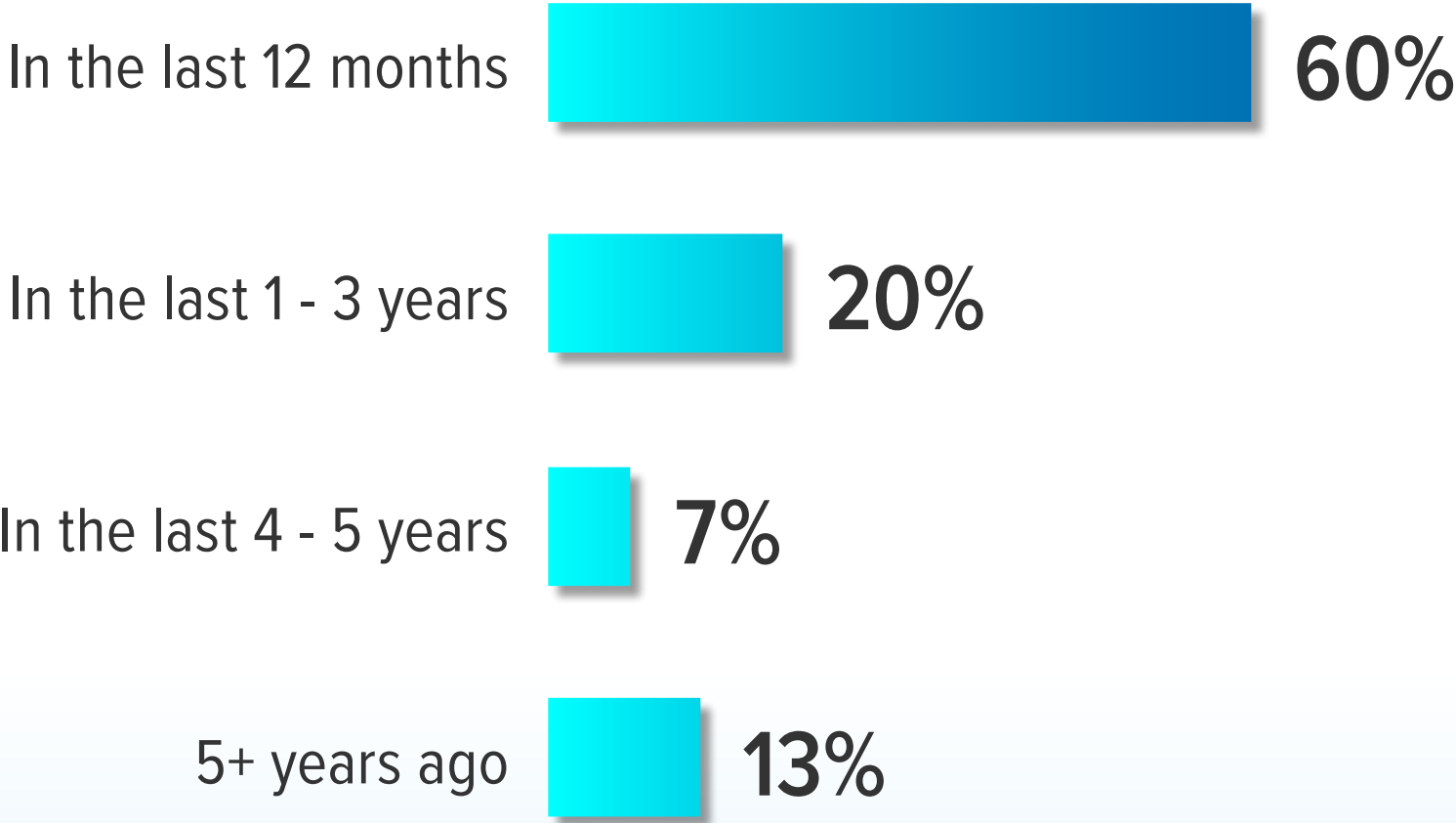
How important is a proactive PR program including publicizing deals, fund closings, other firm news, awards, conference speaking, and thought leadership articles to enhancing your brand? (for private equity respondents only)



Proactive PR as part of brand enhancement is viewed as very important by the vast majority of those PE firms surveyed.

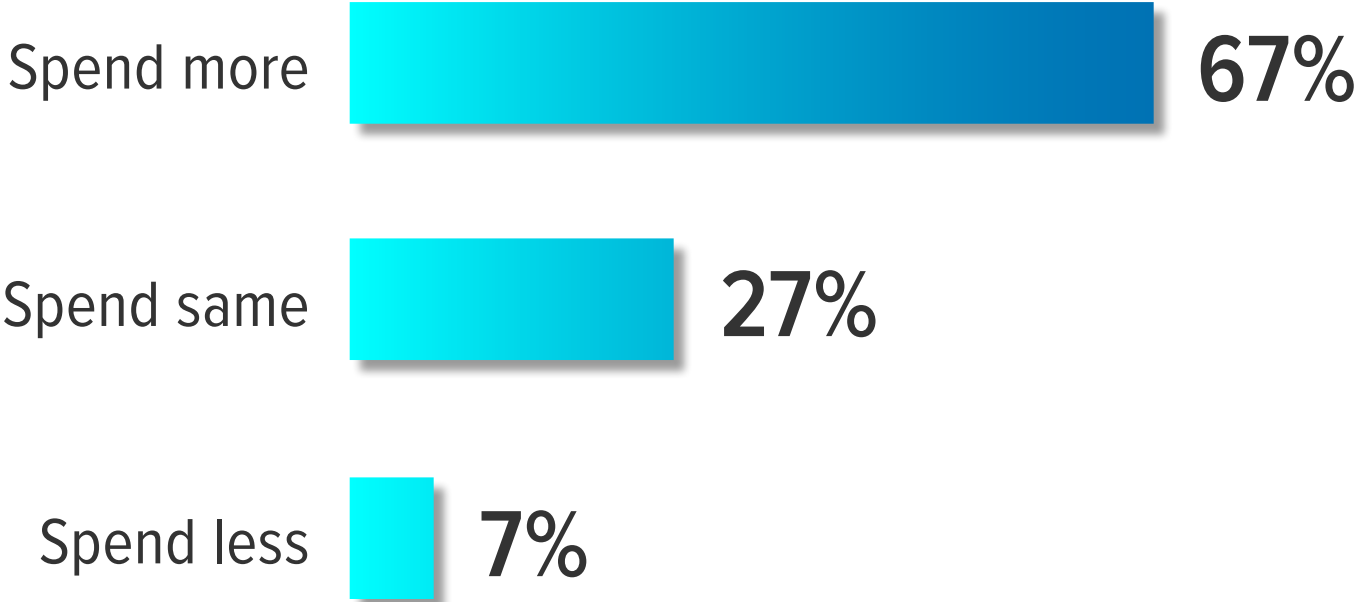
When did you last examine your brand messaging?

(for private equity respondents only)



Over half (60%) have examined their brand messaging in the last 12 months.

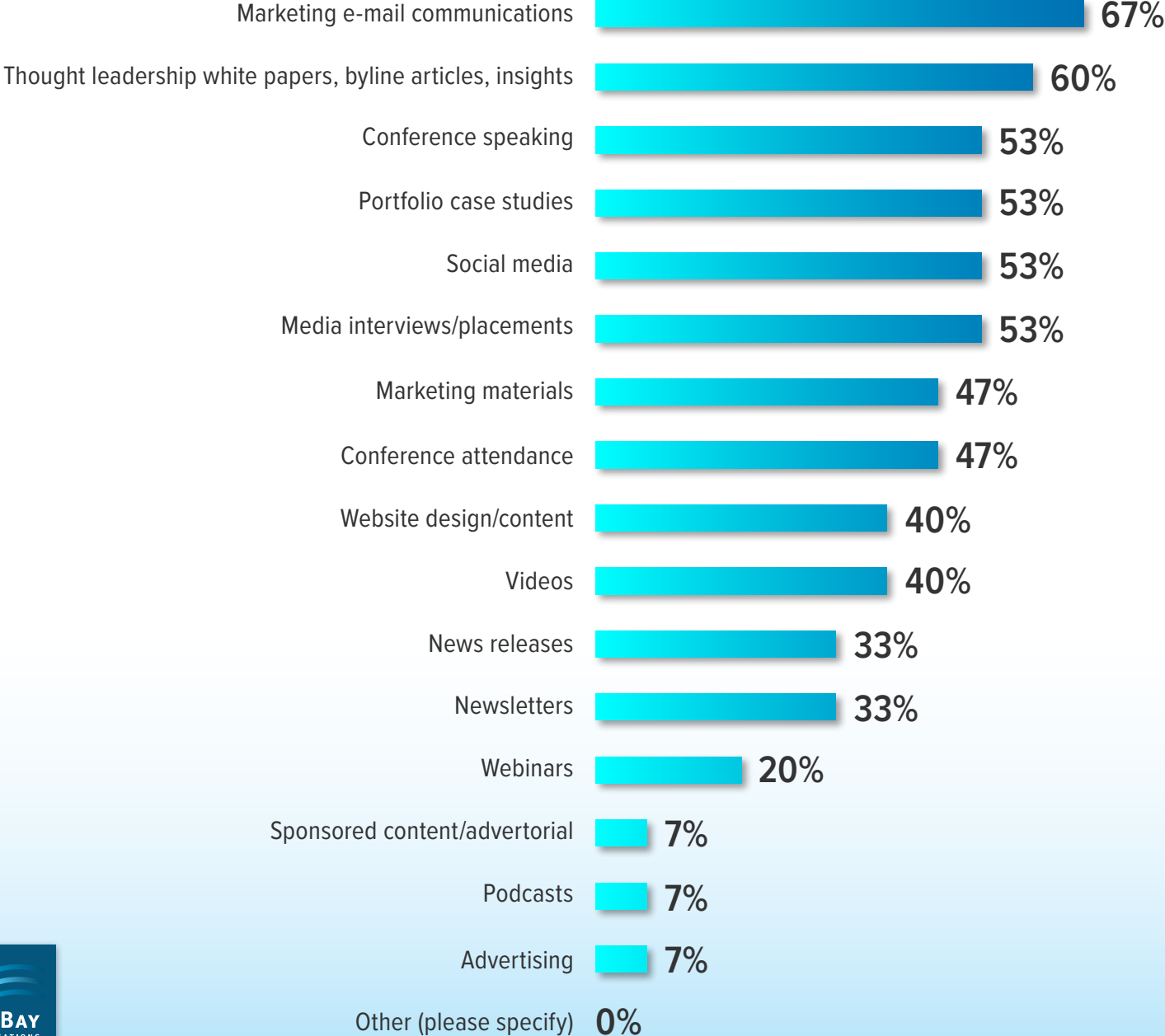
Do you plan to invest more or less in marketing/communications/branding in the next year or two years? (for private equity respondents only)



Two-thirds said they planned to invest more in their marcomms over the next 1-2 years

What aspects of marketing are you going to focus on more in 2023?

(for private equity respondents only)



Broad range of tactics employed more – esp. e-mail comms, thought leadership, social, case studies, media relations and conference speaking. Advertising and sponsored content set to take a hit. Are we past peak podcast?

“Firms are recognising that creating a meaningful brand in private equity isn’t just a case of raising visibility, but about demonstrating expertise, credibility and authenticity. By focusing efforts on creating written or visual content and conference speaking, firms are able to really share their perspectives and engage with their target audiences more effectively.”

— Stephen Fishleigh, Managing Director, London, at BackBay Communications

SuperReturn

SuperReturn runs a series of leading private equity events that take place across the world. SuperReturn International in Berlin is SuperReturn's cornerstone event and the world's largest private equity and venture capital event. This five-day conference brings together thousands of private equity and venture capital professionals, including 1,300+ Limited Partners (LPs), 2,000+ General Partners (GPs) and 200+ expert speakers from 60+ countries, to network and discuss current trends and opportunities within the private equity industry. For more information, please visit informaconnect.com/private-capital



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