Guest Column

The Content Marketing Type That Has The Greatest Impact For Your Fund

By Bruce Frumerman, ceo of Frumerman & Nemeth Inc.

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Do you have unlimited time and money to spend on marketing outreach to your prospective investors? If you are an emerging manager the answer is bound to be No. You cannot recover misallocated time and money budgets. So, it is imperative to make thoughtful, intentioned decisions as to the content marketing you develop and distribute.

Content marketing is important to institutional investors

Content marketing is communicating information beyond just performance reporting. Done right, it can do two key things for your firm. First, it can provide a means of making more tangible the intellectual acumen of management at your investment firm to prospective and current investors. This is vital because fund performance data is but a validation of how money managers think and run their strategy implementation. Second, content marketing can increase the odds of your investment firm being top-of-mind at the right time when an investor who has been conducting due diligence on you decides the time has come to pick which manager on their short list of interesting funds is worth getting their new allocation.

Sophisticated investors in their due diligence vetting of funds and their managers are looking to ascertain what a portfolio manager's investment beliefs are, as this shapes the approach managers take to investing in their asset class of choice. Also, they want to be able to understand and buy into how the portfolio manager assembles and manages his or her basket of holdings. It is from this information that sophisticated investors make their subjective judgement call as to whether they think a manager's returns were more likely driven by skill than luck. Also, it is this intellectual acumen of management that is perceived to differentiate a money management firm from similarly performing competitors.

Are you making smart enough communications allocations?

On what types of content delivery has your investment firm spent its time, efforts and money on so far?

Have you been making and posting talking head videos of your portfolio manager? Have you been asking prospects to reserve certain days and times to attend your firm's self-hosted webinars? And how much of your focus has been on putting your firm's insights and opinions in print? Have you been making the most buyer-focused decisions?

Consider the report from Coalition Greenwich, a company that provides financial services industry strategic benchmarking and analytics. They surveyed 173 institutional investors around the world about what money management firm generated content (by which they mean beyond performance reporting) appealed to them most. Their biggest finding was no surprise to my 37-year-old financial communications and sales marketing consulting firm. It is something we have seen time and again over the decades and have counseled clients to heed: When it comes to competing for attention and allocations from sophisticated institutional investors, the written word continues to be a more powerful educator and persuader than other alternative delivery methods of fund communications.

The survey revealed an overwhelming desire for content marketing to be delivered in print form. As Coalition Greenwich summarized, "...other forms of content were significantly less popular". Seventy-nine percent of respondents chose print versus just 17% for webinars, a measly 8% for videos and a near non-existent 3% for podcasts.

This is how my firm has found it to be for years; and it still holds true.

Your firm's content marketing budget allocation of time and money should be focused on developing and delivering written content with frequency. If it has not been, then you need to reallocate your resources to do so now. If you still have additional cash and time resources to spend on producing some webinars, go for it. And if you still have further cash and time resources to spend after that, you could add portfolio manager interview videos to your content distribution vehicles.

But how good is your firm's content?

The second related issue about which the investors were asked centered around content length. Here, I believe, the interviewers missed an important point of context that portfolio managers need to appreciate in interpreting the relevance of the survey data. It appears the only question asked was *What is your preferred length for a document written by an investment firm*? They offered four choices: under three pages, three to five pages, six to ten pages and over ten pages. Ninety-four percent checked five pages or fewer.

Left out of the questioning was the most vital of factors for sophisticated investors conducting due diligence on portfolio managers and their strategies: content quality.

In our view, the question that should have been asked first was this: *What percentage of the content marketing documents you have read over the years from a variety of money management firms have you tended to find were well written and presented quality insights into the manag-*

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er's thinking? It is our bet that the percentage reported would be low. For this reason, we believe the respondents to this multiple-choice question likely reinterpreted it to be this: *Given that the majority of money management firms do not deliver well written, thoughtful, quality beyond-the-numbers content in their content marketing documents, how many pages of average writing are you willing to read?*

If the next question posed had been, *If you find yourself reading a well written document from a money management firm that presented quality insights and gave you greater insight as to how the portfolio manager thinks, would it really matter to you how many pages the document was?* we bet the answer to that would be, *No, not at all.*

What to make of this

When Institutional Investor reported on this survey of institutional investors' preferences the headline ran, *What Content Do Allocators Find Valuable? It Sounds a Lot Like Quality Journalism.*

We recommend emerging manager firm owners keep these four takeaways in mind:

1. The pen remains mightier than audio or video.
2. A document should not be longer nor shorter than it needs to be to communicate its points. And if more than five pages is needed to cogently communicate your insights, that's fine.
3. You need to be producing quality content and not simply restating what investors have already read elsewhere. This requires having (or hiring people with) excellent writing and editing skills and having a good perception of and perspective on how institutional investors think and what they're looking to get out of reading a money management firm's content.
4. Allocate your content marketing time and dollars budget prudently and thoughtfully among the content delivery vehicles at your disposal.