

Paradigm Shift in Capital Markets Marketing Communication, Circa 2020



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Some years ago, when Ed Cole uttered those memorable words quoted above, he might have been, presciently, speaking about the year 2020.

It is an year, which will forever be defined as momentous. An year in which, the world will remember only those who caught the crisis by its scruff and shook it, till the opportunity within popped out.

While I am not going to spend time writing of the Covid-19 pandemic, the Lockdowns and its effect on the Capital Markets, I surely will tell you how Marketing Communication has evolved and emerged stronger in this crisis time. I believe this evolution will have a telling impact, in the days ahead and possibly even in years to come.

At the beginning of the year, the Equity Markets went into a tailspin and with the crash all capital raising plans through IPOs were put on hold. The secondary markets then staged a recovery and Reliance Industries announced its Rs. 53000 crore Rights Issue, the largest ever in the history of Indian Capital Markets.

Amid strict lockdown across the country, movement restrictions and curfews, social distancing norms and zero commercial activity, the challenge was to reach out to over 25 lac shareholders. The need was to apprise and educate the large Investor base of the new format and process for applying for the Rights Issue, the opportunity to trade their Rights Entitlements on the Exchanges, the Digital and Online Banking procedure. It successfully garnered subscription of over 1.59 times, pointing to the success of the new level of marcom strategy and implementation.

This was followed by the IPO of Rs. 500 crores, by a little known company, ROSSARI BIOTECH LTD. While Reliance is India's Largest corporate and its business model, well understood by the investing fraternity, Rossari Biotech Ltd had its task cut out.

A strategic PR exercise positioned the company as a speciality chemicals manufacturer with a high CAGR. Facts like technocrat first generation promoters with no history in the Capital Markets, product and industry, the valuation matrix – all needed to be effectively communicated. An oversubscription of 79 times underlined the success of the marcom activity.

This was soon followed by the largest ever FPO, Rs. 15000 crores of YES BANK. An effective communication strategy highlighting the marquee investors like SBI, HDFC BANK, KOTAK BANK, ICICI BANK, AXIS BANK, FEDERAL BANK, IDFC FIRST BANK, LIC and the participation of reputed ace investors like R.K. Damani & Rakesh Jhunjhunwala. The message highlighted the fact that the Bank was well placed with the new professional management, improving financials and Digital Expansion. The issue was successfully subscribed, reiterating the faith imposed on the new Management and Investors.

The New Normal of Capital Raising Marcom

Strategic PR communication with a Digital First programme, Virtual meetings with the media, Interviews on Video calls, briefings and backgrounders on WhatsApp and umpteen concalls with a precision delivery process need to be executed successfully to achieve both the desired positioning and enhanced visibility. Credible Media articles, online stories, YouTube videos, corporate films, television interviews all help in keeping investors informed even with all the restrictions imposed due to the Covid Lockdown.

Virtual conferences are the new way in which companies going public can manage their Roadshows obviating the need to travel extensively to meet investors both domestic and international. Presently, Virtual Roadshows are held with over 1000 participants from among the Analysts, Brokers and Media community with multiple venue set ups and moderators ensuring an immersive experience with easy, one click link through to the conferences. Access to digital press release formats in multiple languages, PDF offer Documents, Investor Presentations, Corporate Documentaries are all been put together painstakingly, taking care of the minutest detail.

Advertising on digital media, financial portals, investor forums, television channels and print media PDF's were planned to reach Investors in a minimalistic but effective advertising spend.

Social media platforms like Facebook, Instagram, LinkedIn, Twitter were effective tools to plan outreach. Most social media platforms have built-in data analytics tools, enabling companies to track the progress, success and engagement. A well planned communication strategy not only helps us to engage with prospective investors but also converts the leads generated, in an effective manner.

For the valuation debate, strategically planned Influencer marketing came to the fore, highly impacting investor behaviour sentiment.

Direct Outreach to the Retail Investor database using various digital tools including mailers, SMS, Voice calls, App notifications, both, using our proprietary network as well as broking houses resulted in generating strong Retail & HNI demand.

The traditional forms of Advertising and Marketing such as Print Media, Outdoors, OOH, Television have been relegated to secondary role with Social Media Marketing,

Influencers, Digital and Public Relations(PR) playing a larger and more active role in marketing communication for capital raises. Physical multi-city Roadshows in key investor pockets is also relegated to history pages, something we will remember fondly, in the days to come. Every crisis with itself brings opportunities and this has only accelerated the need to change and adapt.
