

PROMOTING PRIVATE EQUITY FUNDS

**Phd. Student . Ioana Radu
Babes Bolyai University of Cluj Napoca
FSEGA Doctoral Studies in Finance
Phd. Student. Mihaela Funaru
Transilvania University
Doctoral Studies in Marketing**

Abstract: The recently development of the capital market intensified the investors attraction toward profit opportunities. The involvement on the capital market has become a widely used activity among all investors regardless their financial power. This has led to diversifying of the capital market, and also to a specialization and hybridization of the financial instruments traded. Whereas, investment funds are considered intermediaries between investors and investees, they can be promoted in relation with their funding and investment activities involving the investors and certain target companies (also known as portfolio companies or investee companies). In addition to the traditional ways of promoting investment funds (i.e. direct selling, printed publications, advertisements and straplines, public relations actions) can be identified other particular methods in promoting their activity (fund raising, investing and financing) by using business angels and netpreneurs. Therefore, this paper presents the importance of promoting investment funds in relation to all the participants involved.

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1. INTRODUCTION

The development of the capital market over the past decade has intensified the attraction of the investors towards the offers of gain opportunities. Participating or “playing” on the capital market has become a trend among investors, regardless of their financial power. This “game” created in time a varied and sophisticated capital market, also leading to the “specialization” or “hybridization” of the financial instruments being exchanged, which eventually determined the globalization of the financial system, which allowed investors to gain access to different markets.

The globalization of the financial system was accompanied by less intermediation from the banks. The base support of the access on the capital market, the bank intermediation is now gradually being replaced by associations or consulting and/or investment groups, identified as private equity investment funds.

2. PRIVATE EQUITY INVESTMENT FUNDS

Investments through investment funds have spread rapidly because they allow the easy access of small investors to the capital market, especially since small investors do not possess the necessary knowledge, information or experience, time and capital-wise, to invest smart. These conditions have also created the premise for the foundation and development of a new specialized financial investment form – private equity investment funds.

The institutions founded as investment funds become intermediaries between capital holders and those in need of capital. In this respect, two aspects regarding the promotion of funds and of the services they provide can be analyzed: regarding their way of getting investors to invest in the fund, but also the way in which they can invest by involving different target companies.

Within this interdependence it is also necessary to identify the importance of sponsorships in the emergence of investment funds, as follows.

The working substantiation of any investment fund depends on the relationships between the investment society and the other actors, but also on the promotion of the fund to them. Therefore, the analysis of the interaction between these participants can be considered from 3 perspectives:

- *Investment funds and sponsors*
- *Investment funds and investors*
- *Investment funds and portfolio companies*

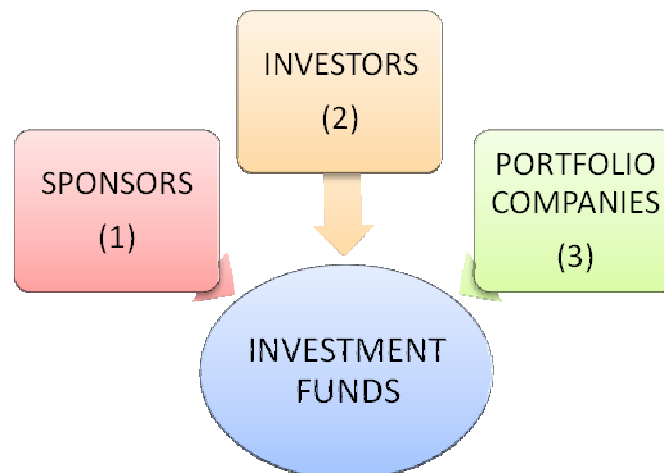


Figure 1. Investment fund in relation with its participants

2.1 Investment funds and Sponsors

Within the investment fund – sponsors relationship there must be identified the importance of this relationship in the foundation and development of the fund. Basically an investment fund cannot be founded based on the fund managers sources and on the sums raised from the investors, but on the sums raised from sponsors. Moreover, these sponsors offer consultancy services and promotion of the investment fund to capital owners. They become themselves promoters of the fund, often being confused with investment advisers.

Usually among sponsors there are individual investors or investment banks that are very familiar with market opportunities as far as investments are concerned. These sponsors make decisions such as:

- Establishing investment objectives and strategy;
- Choosing the type of target companies to be included in the fund portfolio;
- Making a list of the participants in view;
- Having in view the investment fund foundation and functioning legal provisions.

The sponsor has a business plan that they are willing to apply in the activity of the investment fund. If the plan is accepted and agreed upon by the investment company management, the sponsors can decide to participate with capital, therefore becoming shareholders.

As far as sponsors are concerned, they are hard to find. They are usually the ones who make the first step because they have the „know how” in investments. They bring forward the plan and the business strategy, which then they get the fund on the market. The interest of these sponsors resides in the fact that they can create a profitable connected activity besides the other activities they develop. For instance, investment banks that wish to participate in different investment funds, do it based on the confidence they have in their management, as well as based on the existent investment strategies. On the other hand sponsors will suggest new strategies, and depending on their influence on the market they may attract important investors. (for instance Morgan Stanley, Goldman Sachs, UBS AG, JP Morgan Chase Bank, Barclays, etc)

2.2 Investment funds and Investors

This relationship between investors and the investment fund can be easily observed depending on the activity object of the funds, namely – collecting and gathering capital from various people (individual investors) and/or institutions (institutional investors), having in view its investment in accordance with the official investment policy of the fund in capital market instruments, municipal and/or corporate bonds, shares exchanged on the share market, as well as other goods allowed by the regulatory authority, all in view of obtaining additional profit from the gains resulted from the investment.

As far as the relationship between the two actors is concerned the correspondence investment fund-investors or investors-investment fund needs to be identified.

In order to identify the relationship and direction of the informational flow between the two participants, the demand and offer of the market defined by the two shall be identified. Therefore, on the investment funds or capital exchange market, investors can be regarded from two perspectives: as demanders, clients of the investment fund, when the fund provides investment services in their account and on their reserves on the basis of the contract – when one refers to the goods and services market; as providers (of money) when one refers to the financial market, as without their placements the fund could not gather the necessary resources to develop its activity.

Regardless of the position from which one takes into consideration the investors, one can observe that they have the most active role in the functioning of the fund, which is why the promotion should be performed by the investment fund, as “the money fight” always begins from the one in need of reserves and in need of clients.

Once the relationship investment fund – investors is identified, the problem is how these investment funds can attract the investors and which are the particular promotion methods.

Generally, within the investment fund – investors relationship, the fund has to play a very active role as far as the fund promotion, strategies and performances are concerned, because the fund can only function based on the money provided by the investors.

In the particular case of private equity funds, the attraction and promotion activities are developed regarding the following aspects:

1.the attractiveness of the investment strategy of the fund in accordance with the emission prospect¹

- The choice of the investment geographical area
- The size of the business opening investment
- The orientation towards a specific activity domain – the choice of the investment area
- The involvement within the company (the participants' form)
- The period of investment (that guides the type of investment)
- The way of investment – the actual strategy

For instance: Globinvest – FAPT is a fast growing private equity fund, that places a considerable weight of the resources gathered in shares listed in Romania, with a smaller liquidity, but with a strong growth potential.

A specific trait of private equity funds, is their strategy of investing in high risk placements, namely they invest over 70% in shares, the rest in bank deposits, treasury notes, municipal and corporate bonds, derived instruments and even cash.

For instance, Globinvest - FAPT declared a fund structure comprising: over 90% shares, 3,63% deposits and 4,53% cash reserves.

2.the fund performance or the report profit – risk, is a very important aspect regarding investments, but it depends on what kind of risk every investor prefers. If we refer strictly to the case of private equity funds that correspond to investments in high risk capital funds, then investors will take a high risk in the hope to gain high profit. Still, one needs to consider the fact that the value of the share titles will be affected by the evolution of the capital market and the installment rates as an answer to economical, political or financial factors. The influence of these factors on the fund shall be determined by the type and due date of the placements, by the evolution of the portfolio goods issuing, by the exposure level of the fund in relation to each issuing, as well as the manager's ability to invest. The fund is at risk and there is no assurance that the investment policy of the manager shall result effectively in the increase of the share titles value.

Although the fund performance and profit indicators are important because they show the increase or decrease percentage of the fund units values held by investors, it shall be considered the fact that these indicators reflect a past performance, which, although relevant, does not represent a guarantee for future evolutions.

3.the reputation of the trustees attract investors' attention by the safety they can ensure to the invested sums and the titles owned by the fund based on the portfolio placements.

¹ The emission prospect of the fund comprises information regarding the administration of the fund, the investment policy, the rights and obligations of the investors, further contractual provisions regarding the relationship between the investor and the investment company.

4.the reputation of the shareholders and of the fund managerial team become important elements in choosing upon an investment society to manage the capital of investors, they have to look trustworthy and able to hold confidentiality. Moreover, they have to present transparent investment strategies, as well as the results obtained by using the investors' money funds.

Usually, within the managerial team there has to be at least one professional risk manager (PRM), as well as chartered financial analysts and other financial professionals.

5.the guarantee of the invested sums at the level of the capitals held in fund units. As well as in the case of any deposits, the invested sums have a certain degree of coverage that ensures a guaranteed compensation threshold.

In Romania the guarantee is ensured by the Investors' Compensation Fund Inc. The compensation is ensured by the Fund in the case of the impossibility of returning by the an intermediary of the monetary funds and/or financial instruments of an investor, entrusted only on the basis of an intermediation contract of carrying out financial investment services. Until 12.31.2012, the investor compensation ceiling limit is established gradually to reach 20.000 Euro, as follows:

- a) at the time of the Fund authorization the equivalent in lei of 1.000 euro/ individual investor;
- b) from the 1 of January 2006 the equivalent in lei of 2.000 euro/ individual investor;
- c) from the 1 of January 2007 the equivalent in lei of 4.500 euro/ individual investor;
- d) from the 1 of January 2008 the equivalent in lei of 7.000 euro/ individual investor;
- e) from the 1 of January 2009 the equivalent in lei of 9.000 euro/ individual investor;
- f) from the 1 of January 2010 the equivalent in lei of 11.000 euro/ individual investor;
- g) from the 1 of January 2011 the equivalent in lei of 15.000 euro/ individual investor;
- h) from the 1 of January 2012 the equivalent in lei of 20.000 euro/ individual investor.

The equivalent in lei of the compensation ceiling is calculated based on the reference prices communicated by B.N.R. at the date of the finding of the situations mentioned under art. 47 Law no. 297/2004 regarding the capital market and under the conditions established by the C.N.V.M. Regulation no. 3/2006.

2.3 Investment funds and Portfolio companies

Whereas the promotion of investment funds to target clients is concerned, there is a particular situation, due to the fact that the investment fund will be promoted by using the target company, especially because of the effects resulted from being involved in the activity of the company.

Still, it is known that the fund does not invest in any kind of company, choosing only those companies that would ensure benefits, respectively the recovery of the initial investment and a multiplied gain over the invested sums.

It is common knowledge that any company needs financing in order to develop. In order to achieve that, it is necessary for it to make business plans so as to attract investors as soon and as easy as possible.

Therefore, within the investment funds – target companies relationship, the companies in need of financing shall initiate the partnership by creating and presenting the business plan to those who can finance them (the investment fund).

In order to finance a company, investment funds shall evaluate all business plans of the companies in view to be financed, out of which they shall choose only that or those the correspond to their investment vision.

3. PARTICULAR WAYS TO PROMOTE PRIVATE EQUITY INVESTMENT FUNDS

By the nature of the financial societies and in the context of the present competition it is necessary for them to have in view, primarily, keeping their current clients, objective that can be reached by fulfilling the clients' demand and only afterwards by attracting new ones.

Within any financial society maintaining the fund of clients becomes a crucial part of the marketing strategy.

Consequently, the trend of financial institutions is oriented towards relationship services (or continuous services that involve a long-term relationship with the financial society carrying out the services), against singular services (do not necessarily involve a continuation in time of the relationship between the client and the bank).

The main communication types that can be used in financial-banking marketing include:

advertising, promotional selling, personal selling, public relations, sponsorship etc. These may be personal and non-personal.

Apart from the traditional promotion ways of investment funds (direct selling, written publications, advertisements and public relations actions), there are also some particular ways of promoting these investment funds, for instance – business angels financing and netpreneurs.

a. Direct Selling – sale agents and/or the use of business consultancy services (for instance Strateg ID offers consultancy regarding private equity financing, acquisitions and fusions).

The advantage of this promotional instrument resides in the direct contact with potential customers, which offers them the possibility to understand the actual needs of the clients, allowing them to highly personalize their products.

The personal communication channels are effective because they offer the possibility to individualize the presentation and the inverse communication. Also, marketing specialists have observed that personal influence weights very much within the communication process especially in two situations: when the service/product is expensive or risky or bought seldom or when it suggests something about the social status of the user. Companies began to understand the importance of oral promotion or rumor. The best initiators of rumor are the best clients of the company. Generally, rumor is “organized”. The companies have to stimulate personal influence channels to work in their favor. They have to identify influential people and dedicate them an additional effort, act through them within the local community, create an electronic discussion forum (by which the users of the respective service can talk on-line and share their experience), use viral marketing (a specific type of oral advertising used by internet marketing specialists in order to attract attention to their sites).

The beneficiaries of financing services look for recommendations and different reliable sources in order to gather the necessary information. Those making the recommendations bring potential gains to both the suppliers and to the beneficiaries of the respective services. The services suppliers look for recommendation sources (oral advertising). Some of the advantages of oral advertising are the fact that oral

advertising sources are convincing, satisfied clients being “true ambulant advertising boards”, it is cheap (because keeping the connection with satisfied customers and turning them into “advertising suppliers” involves low costs). The company may return the favor to the recommendation source by different means.

In the field of financial services, personal selling is very important, especially when the beneficiaries are interested in serious, reliable investment funds, as costs in this sector are very high, and the possible losses are enormous.

b. Online Selling

Internet offers to companies and consumers, the possibility of a higher degree of interaction and individuality. Individualized messages can be sent, clients can interact and communicate in larger groups.

Online promotion has taken over classical promotion, as the use of internet services grew more popular. As internet financial services gained more confidence from the users, investment societies began to be promoted on internet sites.

Therefore, internet promotion through a well created and optimized site, promoted in search engines, portals and specialized directories, can lead to a large number of visitors, of whom some may become clients of the investment fund, respectively investors that wish to become subscribers of the portfolio made by the investment fund.

Some of the best known online promotion services are:

- Subscribing and promoting via the best known and used search engines: Google, Yahoo!, MSN, Altavista, Exact Seek, LookSmart, Excite, Lycos, etc;
- Subscribing and promoting on-line on the majority of portals and Romanian directories: Kappa, Linkuri, Evrika, Idilis, Portal, 123start, Index2000, Pagini Comerciale, GoFind,
- Subscribing to specialized portals and directories (Panoramic Bucuresti, Valcea On-line, Oradea.net, Infoconstruct, Mocheta.ro, AgroInfo) depending on the specific of the activity – especially in the case of real estate funds;
- Subscribing to search engines and traffic registering sites (Trafic.ro, Statistici.ro)
- Building sites in this field and not only, which will lead to the appliance, personalization and directioning of the future promotion campaigns on specific on-line channels(regional, technical, forums, classifieds).

Whereas investment funds personalized sites are concerned, there can be made data bases for subscribers, allowing them to check their account at any time, but also to check their placements and the evolution of the results on specific periods of time or even in real time (if it presents the evolution of the owning according to the sums exchanged on the capital market).

Also, these sites may offer active investor involvement services, which means they can choose a specific sum to be invested from his account, or the personalized placement in a specific type of share, portofolio etc.

What is more, the investment funds, based on the created data bases, may transmit online the personalized emission prospects of each subscribed client, mean by which they are announced regarding the new placements.

c. Trade Mark Advertising

Using trademarks is another way by which the company can promote its services. Trademarks are an efficient way for the consumer to identify a company

and/or its products/services. In services marketing what matters mostly is the trademark of the company.

Some investment companies use specific trademark for a better identification of the funds on the market, trademark which is usually found within the name of the investment company or within the name of investment banks that provide such services.

For instance, in Romania there are well known such names of investment funds as: BT Invest – closed investment fund run by BT Asset Management SAI INC, connected activity of Banca Transilvania Bank, as well as the BRD Simfonia fund run by BRD Asset Management SAI, company specialized in running investments for BRD - Groupe Société Générale;

This promotion method is advantageous due to the fact that it is easy to reach new clients, who, by knowing the trademark, trust these funds more.

d. Business Magazines

As far as using business magazines as means of promotion is concerned, some of the particular advantages reside in the fact that they can concentrate an advertisement for a specific audience to high degree, they have a longer life duration than newspapers, and the quality of the printing allows the use of colors.

The main disadvantage of using business magazines is the relatively high cost, due to the selective market of magazines.

The subject related to the private equity domain at a national level was approached by financial publications such as: Ziarul Financiar, Săptămâna financiară, Capital, Revista Biz, Business Standard, etc.

At international level the publications dedicated to the private equity domain come from the USA, but these are also publications of financial newspapers or of audit and financial consultancy companies, such as: the PriceWaterHouseCoopers publications (PWC Alternatives, Insights for the private equity), The Boston Consulting Group (Opportunities for action in corporate finance and strategy) (www.bcg.com), the Thomson Reuters publications and studies, the Business Week magazines, Financial Times, Wall Street Journal, The Deal Magazine, the Private equity Analyst publication of the Alternative Investor Group consultancy company, that focuses on the analysis of the companies taken over by investment funds that are in view for the calculus of the Dow Jones stock-exchange index, KPMG (UK), Prequin (France), etc.

e. TV Shows

The use of television as communication media presents important advantages, such as the powerful impact due to the use of image, sound, color and movement, as well as the relatively low costs as reported to the number of addressees.

Although the disadvantages numerically exceed the advantages, television is a popular form of promotion and experience showed that advantages eventually take over the disadvantages.

Therefore, televised shows with a financial theme focused on investments and the possibilities to finance the investments, have a strong impact.

The use of television becomes important because it addresses a large public, that may become a potential client of the investment companies. As opposed to the publications, that only address specialists and connoisseurs, television, via ads and shows, addresses the large public both at national and international level.

For instance, the USA financial shows – Mad Money (Jim Cramer) and Fast Money (Dylan Ratigan) broadcasted on CNBC channel have been considered to be the best financial shows 2007, having a similar audience to the Oprah talk show.

There is little talk about private equity in Romania, as the field is still new. As for financial shows promoting the services of the private equity funds and their advantages, some have been: *Biz Bazar* (Antena 3) moderated by Moise Guran, *Săptămâna financiară* (Antena 1) moderated by journalist Gabriela Vrânceanu Firea, *N24 financiar*(N24). There are also special television channels dedicated to the debating of the financial-banking domain – *The Money Channel*. <http://www.antena3.ro/emisiuni/bizbazar-cu-moise-guran>

f. National and International Meetings and Conferences

Some other public relations marketing instruments are publications, events (conferences, seminars, exhibits), press news favorable to the company, speeches, public service activities, means of communicating the identity of the company (emblems, sigles, buildings, colors, etc.).

A series of international conferences are organized yearly in order to introduce new approaches of the private equity industry, some of the most popular being:

- *Global Private Equity Conference* – annual conference that takes place under the supervision of International Finance Corporation IFC and World Bank Group in Washington DC, which is dedicated to investment funds managers;
- *Private Equity Conference - Campus for Finance* – workshop type of conference dedicated to investment companies employees, but also to students (nearly 150 students are accepted),. Approximately 50 academicians from the finance field participate in the event, but also managers of some investment companies who present as case studies some of their closed deals and strategies developed by their investment funds.
- *INSEAD Private Equity Conference (Fontainebleau, France)* dedicated to MBA students and to candidates for a doctor's degree in the finance field. At this conference there are invited to participate managers of the European funds with best performances and largest and most successful transactions;
- *EVCA Conferences (2009 - Germania)*- conference dedicated to all the participants in the private equity industry – participation, enrolment and affiliation to the Private Equity and Venture Capital European Funds Association offers companies a specific quality and professionalism degree for the activity developed;

Although this promotion method would have a large impact on the investment funds, it has an important disadvantage related to the participation fees, as for the annual conference in Washington or for the EVCA conference there are fees of 1295 EUR for the members and 1795 EUR for other participants, respectively 2200 EUR for the *Private Equity Analyst Conference* organized by Boston Consulting Group.

In Romania they organize the convention of the SEEPEA members (*Southern and Eastern Europe Private Equity Funds Association*), conference that has in view reaching the following objectives: to work as a lobby group in order to improve communication between the national regulating authorities and the private equity companies, to represent its members in the relation with media regarding public interest information, etc.

g. Specialized Sites and Blogs

The promotion of investment funds is made especially via sites and personal blogs of people with knowledge in the field. For instance, the site developed by an investment company consultant – *Richard Wilson* – www.hedgefundblogger.com, is an educational site which explains the advantages of using investment funds, thereby easing the explanation regarding the investment scope and objectives of the funds.

Also, the site www.privateequityblogger.com, is developed and moderated by Theo O'Brien (USA), specialist in the investments analysis and research, author of several articles and scientific studies concerning the economic and social impact of private equity funds. Within the researches carried out by O'Brien there are also topics of the investment funds and the impact of each one of them over certain regions or even countries.

As these investment funds presented within studies on these sites are taken into consideration, they are being promoted. In such cases, negative promotion may appear, via personal or subjective opinions posted by different people.

When the financing of a company in need of capital cannot be done by its own resources, or by bank loans, or by the 3 F's („*Family, Friends and Fools*”), then there are new means of financing by Venture Capital and/or Private Equity funds. Another mean of financing is by Business Angels financing.

h. Business Angels Financing has become one of the most interesting financing methods used in Romania, as they ease financing by direct capital placements in their favourite businesses, usually start-up businesses, also becoming intermediaries between the companies and the investment funds.

The following aspects may be considered advantages of the *business angel* financing:

- The invested sums are generally more reduced than in the case of the private equity financing, varying between a few tens of thousands euro to a few hundreds of thousands euro per project;

- The notion of business angels is still unclear and little familiar to new companies and to any entrepreneur. Still efforts are made to clear its significance, but also the opportunity they present for future entrepreneurs or for those who need a fast and flexible financing source;

- In a time when business angels act on their own, without the direct or indirect involvement of an investment fund, they become competitors for the investment funds. Still we could say that these two factors would become indirect competitors as they address to different investors segments, but also companies, as private equity companies usually address mature companies, but not only.

- In Romania there is a core of beginner business angels (mostly successful entrepreneurs who have materialized their first exits and can reinvest a part of the gaining);

- A recent initiative to promote the business angels financing concept is the show called *Arena Leilor* broadcasted by *Televiziunea Română*. Based on this activity many investment contracts have been signed but, unfortunately, many of them were not finalized, mainly because of the significant differences between the information provided by the entrepreneurs within the show and the business reality;

- A few examples of business angel financiers in Romania are: the business man *Ion Țiriac*, the investor *Vlad Stan*, etc. The latter states on his personal internet page

(blog), that he is the cofounder of SeedMoney – online investment fund designed for Eastern Europe start-ups, and also cofounder of trigwee.com, international site designed for people interested in sharing their dreams and communicating them to others – thereby selecting their possible strategies and targets;

- At international level, a consecrated television show is *The Apprentice* – a show presented by the American investor and businessman Donald Trump.

i. Netpreneurs

- Netpreneurs become investment funds promotion sources, but also may represent targets for the investment funds, therefore by using the opportunities offered by the internet (not only online sales), business activities can be founded on the internet;

- They count on a very fast increase of the business value immediately after the start-up, followed by a fast materialization or monetization, either via an IPO (see *Google*), or via an exit towards a strategic (see *YouTube*);

- Famous netpreneurs – Jerry Yang & David Filo (*Yahoo*), Sergei Brin & Larry Page (*Google*), Steve Chen & Chad Hurley (*YouTube*)
<http://www.youtube.com/watch?v=3eZTh94Fapg&feature=channel>

- At national level we may talk about the *Neogen* or *eJobs* entrepreneurs (taken over by the American fund Tiger), confirmed successes with exits that had generated approximately 10 million euro in the Romanian online.

Still, why do netpreneurs become important in promoting private equity funds? Although initially they are targeted by the investment funds, almost all businesses generated by netpreneurs have been advertised on the internet, by divulging important sums won via exits. What is more, these businesses have become notorious, which is why the investment funds use such businesses in order to promote themselves.

5. CONCLUSIONS

In order to efficiently reach the communication objectives, companies have to evaluate the communication possibilities available to them and, according to the efficiency, the costs, the messages sent, to create a promotion mix and adopt integrated marketing communication (IMC).

IMC is a plan by which one can evaluate the strategic roles of different communication instruments – advertising, promotion, and public relations – and it combines them to ensure clarity, coherence and a maximum impact, by integrating messages which are separate in a unitary structure.

IMC underlines the ways by which the clients come in contact with the company, the way in which the company communicates its position, the importance of each communication means, etc. IMC improves the possibility that the company reaches the right clients, at the right place and time.

Also the need to maintain marketing relations with the consumers is to be stressed.

In the financial services field, the process of carrying out of the services involves a multitude of relations between the provider and the consumer. The concept of *care* towards the consumer is strongly related to that of the consumer *satisfaction*.

Companies realize that investing in long-term relationships with the clients is not an expense, but a long-term profit.

Long-term marketing relationships usually lead to building the consumers' fidelity for a certain service. Building consumers' fidelity is extremely important in the service area because it represents the decision of a consumer to establish preferential relations with a certain company and to recommend it to others as well.

For the company this is a stable long-term gain source. However, building the consumers' fidelity is not unconditional. It will continue for as long as the consumers know they receive an additional value (quality, price) as compared to a similar company.

As it may be observed, the investment funds marketing activity is complex, using a series of promotion alternatives (from using written material to indirect promotion methods such as netpreneurs or business angels).

Usually, large investment funds (such as Funds of funds) and renowned investment companies have a well built marketing department within the entity, responsible for the promotion of the services provided by the company in order to attract investors, but also clients for auxiliary services they develop (for instance – business plans consultancy services).

On the other hand, as far as reduced portfolio and staff funds are concerned, it is more profitable to use outsourcing or third party marketing – regarding marketing services and promotion.

Irrespective of the marketing activity organization, it has to remain a permanent concern of any company as, by paying the due attention to the market they operate on, to the demand and the preferences of investors, the company can obtain a solid competitive advantage and a strong image on the market, eventually making the activity of the company more effective.

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