



Financial comms experts see silver linings in uncertain market

Little to no demand for IPO comms isn't the end of the world for financial specialists, who are seeing opportunity elsewhere.

by **Chris Daniels** 6 October 2022



Where some budgets are down, others are up, say financial comms experts. (Photo credit: Getty Images)

For the third straight quarter, the S&P 500 suffered a loss, the first time that's happened since the financial crisis of 2009.



economy. This week, the U.N. said the world is on the brink of a recession, which could be worse than both the pandemic-caused slowdown and financial crisis of 2007 to 2009.

Yet for financial PR agencies and divisions, the poor economic returns in the market aren't all bad news for their bottom lines.

"It's a bit of a mixed bag," says Tom Ryan, cofounder and CEO of ICR, about the demand from clients right now. "Some public companies are in financial distress, and saying, 'Listen, we're only going to do the bare minimum.'"

The previously red-hot initial public offering market has also retracted dramatically, given investor appetite for new stock offerings seems non-existent.

"I don't think there's ever been a year in recent memory where the IPO market has virtually been shut down for an entire year," says Ryan, including 2009, when the housing market crashed, in that assessment. "We are in unprecedented territory."

According to StockAnalysis.com, 163 IPOs have taken place this year, a drop of more than 85% from last year, when more than 1,000 companies went public. Last year's IPOs included Rivian Automotive, an electric vehicle start-up backed by Amazon and Ford; South Korean e-commerce company Coupang and dating app Bumble.

While many had soaring welcomes from investors, only a paltry 205 of the IPOs in 2021 have delivered a return of more than 1%, according to GuruFocus data.

What does this mean for ICR's year-end, having come off a spectacular 2021 that included plenty of IPO work, including for Dutch Bros. Coffee and The Honest Company, and 83.3% organic growth?

"We do well in a market where there's a lot of IPOs and activity like that, so it certainly is not as good as last year," says Ryan. However, ICR's "retainer business is up almost 30% this year," he notes.

Market drops create heightened communications needs for clients, and this economy is no exception. This includes companies that have recently gone public and are doing OK, but are getting painted with the same brush as those that are struggling.



Large agencies are bullish about financial comms services, even in the face of plunging stock-market returns and recession fears.

In July, Edelman launched its financial comms boutique, Edelman Smithfield, in [the U.S., EMEA and APAC](#), having formed it via acquisition in London in 2015.

Ted McHugh, MD and co-head of strategic situations and investor relations for Edelman Smithfield in New York, says, “Edelman saw a tremendous opportunity based on some of the success of the practice.”

The feeling is the opportunity would be best harnessed by putting its financial comms and services team under one umbrella. “It allows us to become front-and-center with the C-suite and the boards of directors of companies around the world, through all market cycles,” notes McHugh.

When the IPO market is cold, clients want to strengthen how they engage with the investment community and financial media.

“We’ve seen a massive step up in demand from companies wanting to have a major tentpole investor day over the next six to 12 months,” he says. “Regardless of where their stock is trading, there are a lot of companies with really strong business models, but had pulled inwards during COVID-19...Now they see an opportunity to come back out to the market and reset expectations about their strategy and, ideally, their valuation.”

To that end, Edelman Smithfield is hosting an “investor day bootcamp” today, which can be [streamed](#). Speakers include Bryan Goldberg, head of IR for Spotify. The consultancy is also counseling clients who are realizing their revenue will come in significantly below market expectations.

“Clients are bringing us in to shape the message and help manage the potential downfall of the announcement they have to make,” says McHugh.

Gregory FCA represents both banks and insurance companies. The firm’s president, Joe Anthony, says the investment pendulum has swung to low-risk options, given people are worried about their retirement nest eggs.

This has created a need for comms activation around products like indexed universal life



product and service has its moment, and so what we always tell clients is to be ready to tell the story about those products and services when the moment comes.”

The moment is also ripe for person-to-person relationships and interactions, offered by wealth management firms.

“If people thought from all the headlines that it would be the end of the human financial advisor – that they would just go to a robo-advisor – this is where companies, whether a financial advisory with 10 people or 1,500 employees, can rise and shine,” says Anthony. “They should reach out to clients, be proactive and explain how they’re helping them to manage these choppy waters.”

“They need to capitalize on their moment — make their money, and justify their place,” he says.

As for client budgets? Where one is up, another is down, Anthony says. Gregory FCA works for a good-sized regional bank, and with interest rates rising, “they are looking at close to a 30% increase in fees with us for next year.”

On the flip side, a couple of Gregory FCA’s smaller clients in wealth management, who make their money on assets under management, “have asked us to redraft their scope of work to account for a 20% lower budget.”

“With the situation right now, it is about who is well-positioned to benefit in this environment, and can use comms to maximize that position,” concludes Anthony.

Dukas Linden Public Relations is seeing demand from both well-established companies and new ones launching “creative and innovative new investment strategies,” says the firm’s EVP, Zach Kouwe.

This includes new hedge funds and private equity value investing strategies or low-volatility investment products and strategies, as investors look to manage the inflationary environment, he says.

“Even early stage venture capital in the crypto and Web3 space is active,” adds Kouwe. “Some folks are also hoping to up their social media game, either on LinkedIn or Twitter, because they understand how important it is to connect with audiences right now.”



than expected, says Kouwe. “There is plenty of cash on the sidelines looking to be deployed.”

Get our email newsletters

Hall of Fame

Bellwether Survey

Changemakers

Purpose Awards

40 Under 40

Best Places to Work

PRWeek Awards US

The Power List

Pride in PR

Brand Film Awards

Healthcare & Pharma Communications Awards

Agency Business Report

Women of Distinction



Dashboard 25



Health Influencer 30

PRDecoded

Webinars

Find a Job

Podcasts

Subscribe to PRWeek

RESOURCES

Up next:

1-3 of 10



Current Global hires Charlie Hart to upscale its influencer marketing



Communications lesson: NFL's latest crisis



JOIN, SHARE, LIKE, FOLLOW US ON:



About PRWeek

[About Us](#)

[Contact Us](#)

[Editorial Calendar](#)

[Advertise](#)

Subscribe

[Subscribe to PRWeek](#)

[Newsletters](#)

[FAQ](#)

Global

[PRWeek UK](#)

[Campaign Asia](#)

haymarket[®]

© Haymarket Media Group Ltd. | [Terms & Conditions](#) | [Cookie Notice](#) | [Privacy Notice](#) | [Do Not Sell My Personal Information](#)

