

How Investment Banks Use Marketing Strategies to Attract Funding for Startups

Shivam Ubale, MBA 2024-2026, Mittal school of Business, Lovely Professional University
shivaubale1001@gmail.com

Sahaj deep kaur, MBA 2024-2026, Mittal school of Business, Lovely Professional University
jass50476@gmail.com

Malik Mohd Ahmad, MBA 2024-2026, Mittal school of Business, Lovely Professional University
shimailmalik19@gmail.com

Ulfat Andrabi, Assistant Professor, Mittal School of Business, Lovely Professional University (LPU),
Phagwara, Punjab, India

Abstract: Investment banks are facing increasing competition in attracting high-potential startups for funding, mergers, acquisitions, and public offerings. To stay competitive, they are increasingly adopting modern marketing strategies such as digital marketing, content marketing, social media engagement, networking events, and strong brand positioning. This study examines how these marketing strategies help investment banks connect with startups, build trust, and convert them into long-term clients. The research is based on both primary and secondary data, including structured questionnaires and analysis of current industry practices. The findings reveal that relationship marketing remains the most effective strategy due to the importance of trust and credibility in financial services, while digital marketing is emerging as a powerful tool for increasing reach and awareness among startups. Additionally, factors such as bank reputation, investor network, and industry expertise significantly influence startup decisions when selecting investment banks. The study concludes that an integrated approach combining traditional relationship-based methods with modern digital strategies is most effective in attracting and retaining startup clients in the evolving investment banking landscape.

Keywords: *Investment Banking, Marketing Strategies, Startups, Digital Marketing, Relationship Marketing*

1. Introduction:

The global financial landscape has changed significantly over the past two decades, mainly due to the rapid growth of startups and entrepreneurial ventures. Startups are now major players in driving innovation, economic growth, job creation, and technological progress. These companies usually have high growth potential, but they need substantial financial resources to expand, enter new markets, and remain sustainable in the long run. Thus, access to timely and organized financing has become vital for their success. In this situation, investment banks serve as important intermediaries by connecting startups with various capital sources, such as venture capital firms, private equity funds, family offices, and institutional investors. Traditionally, investment banking focused mainly on large corporations and wealthy clients; however, the rising significance of early-stage and growth-stage companies has shifted the attention toward startups as a unique and valuable client group. This change has increased competition among investment banks, making strong marketing strategies essential for attracting and keeping startup clients. Investment banking is quite different from regular banking and product marketing. It involves complex, high-value financial transactions like mergers and acquisitions, raising capital, and providing strategic advice. Unlike commercial banking, which focuses on deposits and loans, investment banking centers around advisory services

and capital market activities that require a high level of expertise, trust, and credibility. Since these services are intangible and come with high risks, marketing in investment banking is strategic rather than transactional. Decisions about valuation, investor access, and deal structuring are long-term and critical. Therefore, trust and reputation are key elements in the client decision-making process. Investment banks must use specialized marketing strategies that cater to the unique needs, expectations, and limitations of startups.

Historically, marketing in investment banking relied heavily on personal networks, referrals, and long-term professional relationships. However, the rise of startups has significantly changed this traditional approach. Startup founders tend to be younger, more tech-savvy, and more open to digital engagement and knowledge-based interactions. They often seek not only funding but also advisory support in areas like financial modeling, targeting investors, valuation, and strategic positioning. This shift has led investment banks to incorporate modern marketing tools into their strategies, including digital platforms, industry-specific branding, webinars, and content showcasing thought leadership. Digital marketing, especially through platforms like LinkedIn, has become crucial for demonstrating expertise and engaging with startup founders. Content marketing tools such as white papers, case studies, and industry reports are increasingly used to build trust and credibility. Collaborations with incubators, accelerators, and entrepreneurial communities also enhance visibility within startup ecosystems. This change represents a broader shift from purely relationship-based marketing to a hybrid model that blends digital engagement, knowledge sharing, and personalized advisory relationships.

Startups are quite different from traditional corporate clients regarding size, maturity, and financial stability. They often operate under high uncertainty, with limited financial history and rapidly changing business models. As a result, they struggle with understanding funding options, preparing investor-ready documents, and negotiating favorable terms. This makes it essential for investment banks to adopt marketing strategies that focus on education, accessibility, and industry relevance. Startups generally prefer banks that show a deep understanding of their sector, maintain strong investor networks, and provide practical advisory support. Trust is critical in this relationship, as founders often rely on recommendations and perceived credibility when choosing financial advisors.

The growing presence of boutique investment banks and specialized advisory firms that focus on startups has increased competition in the industry, making marketing strategies a key differentiator. Investment banks use a mix of relationship marketing, digital marketing, thought leadership, and sector specialization to attract startups. While relationship marketing is essential for building trust, digital marketing boosts visibility and outreach among entrepreneurs. Thought leadership positions banks as industry experts, and targeted communication enhances engagement with specific sectors, such as technology, healthcare, and fintech. Despite these opportunities, investment banks face challenges like smaller deal sizes, higher risks, regulatory costs, and competition from alternative funding sources such as venture capital firms and fintech platforms. To tackle these issues, they are increasingly presenting themselves as long-term strategic partners through ecosystem collaborations, tailored outreach, and integrated marketing approaches that blend traditional relationship-building with modern digital tools.

1.1 Research Objective:

To examine the marketing strategies adopted by investment banks to attract startups for funding, particularly in regional and local markets.

2. Literature Review:

2.1 Concept of Investment Banking

Investment Banking which describes the financial industry branch that helps businesses and governmental entities to acquire funds and execute their complicated financial operations. The investment banking system functions as a financial bridge which connects capital-seeking companies with funding investors according to Rosenbaum and Pearl 2009. The company provides financing solutions while offering advisory services that include mergers and acquisitions and restructuring and valuation and strategic financial planning work. The fundraising process and deal structuring and strategic guidance provided by investment banks help startups to achieve their maximum growth potential. The Indian investment banking industry provides its services through various financial institutions which include commercial banking companies and private equity firms and specialized financial advisory companies that serve specific market segments. The growing importance of startups has led to a greater demand for investment banking services which now serve as essential support for startup growth.

2.2 Marketing in Investment Banking

The marketing approach used in investment banking shows major differences from standard product marketing because financial services have no physical assets and present customers with high financial risks. The marketing of financial services focuses on establishing trust and building credibility and demonstrating expertise to create enduring customer relationships according to Kotler and Keller 2016. Investment banks use marketing strategies to build their brand image, attract startups seeking funding, and connect with investors looking for quality investment opportunities. Investment banking transactions require substantial financial resources and critical business decisions which make effective marketing essential for decreasing deal uncertainty and establishing trust with stakeholders.

2.3 Marketing Strategies Used by Investment Banks

2.3.1 Digital Marketing and Online Presence

The marketing methods that investment banks use have changed because digital platforms have become more popular. Digital marketing tools such as professional websites, LinkedIn marketing, webinars, and thought leadership articles are increasingly being used to engage with startups and investors. Chaffey (2015) shows that digital marketing allows organizations to reach more people while spending less money which results in better customer interactions and engagement. Digital platforms enable investment banks to display their skills through sharing insights and teaching potential customers about financial systems. Startups need online information sources because they use these resources to make decisions. Digital marketing helps investment banks increase their market presence while building trust with customers who work in competitive environments.

2.3.2 Networking Events and Industry Conferences

Traditional networking methods continue to maintain their importance in the field of investment banking despite the growth of digital marketing. Investment banks actively participate in startup events, pitch competitions, and investor conferences to connect with potential clients and stakeholders. The events create chances to build relationships through face-to-face meetings which help establish trust between people. Allen and O'Toole 2013 prove that face-to-face networking still operates as a strong marketing method which professional services companies use. Through such interactions, investment banks can better understand client needs, establish credibility, and identify new business opportunities. Networking events also help in strengthening ties within the startup ecosystem.

2.3.3 Content and Thought Leadership

Content marketing together with thought leadership functions as vital tools which investment banks use to establish themselves as industry authorities. Investment banks use research reports and market insights and valuation techniques and funding guides to prove their expertise and knowledge. The approach establishes trust between startups and investors who base their choices on research information. Thought leadership activities

increase business credibility while bringing new clients who need expert help with their difficult financial problems. The investment banking sector uses this method to create a long-lasting brand identity which helps them stand out from their rivals.

2.4 Attracting Startups Through Marketing Strategies

Startups typically prefer investment banks that have a strong understanding of their industry, access to a wide investor network, and the ability to provide strategic guidance. Blank (2013) states that startups choose financial advisors who understand their growth stage and business model. The marketing strategies which showcase previous successful projects and case studies together with their services for startups succeed in bringing those specific clients to their business. Startups require three main elements which include clear information and services that can be accessed and professional guidance. Startup clients are more likely to establish enduring partnerships with investment banks that demonstrate their knowledge through clear communication and personalized service offerings.

2.5 Attracting Investors Through Marketing Strategies

Investors form the second essential component of the market which operates alongside startups. Investors look for investment banks that deliver superior deal flow together with dependable due diligence and strong risk management solutions. The marketing strategies designed for investors showcase investment performance together with institutional credibility and special investment opportunities that are not available to others.

The authors Gompers and Lerner in their 2004 work show that trust together with information quality functions as the main factors that influence how investors make their choices. Investment banks need to deliver transparent and precise and reliable information to their clients because this approach will create investor trust and lead to lasting business relationships.

2.6 Empirical Review of Related Studies

The financial services sector requires relationship marketing because it helps businesses keep their clients according to past research. Research also indicates that brand image significantly influences the selection of investment banks by clients. Digital marketing has become a crucial method for startup companies to attract customers while expanding their market presence.

The current literature only studies large urban areas but it fails to examine smaller towns and regional markets which represents a significant research shortcoming. The research gap exists because there is a lack of understanding regarding how investment banking marketing strategies function in Jalandhar. The research gap needs to be filled because it will help researchers gain a complete understanding of how investment banks use marketing techniques in different market situations.

2.7 Research Gap

The literature review shows a critical research gap regarding the implementation of marketing strategies which investment banks use in Jalandhar to attract startups and investors. Most of the available studies focus on developed economies and major metropolitan areas because these locations have financial systems and digital adoption and market structures that function differently than smaller cities. The findings from this research study cannot be used in regional contexts because they showed limited applicability. The existing research fails to examine how personal relationships and local networks and trust-based interactions function as the primary elements in Jalandhar.

This research project intends to address this gap by focusing specifically on the regional investment banking environment and providing a more localized understanding of marketing practices. The study aims to:

1. Examining the marketing strategies employed by investment banks in Jalandhar
2. Finding out how the startups and the investors react to such strategies
3. Delivering insights that are useful for the practices of regional investment banks

2.8 Conceptual Framework

The conceptual framework of this study is based on the literature review, which highlights the importance of marketing strategies in influencing the decision-making of startups and investors in investment banking. In this context, marketing acts as a strategic tool for building trust, credibility, and long-term relationships rather than just promotion.

The study identifies the following marketing strategies as independent variables:

- Relationship marketing
- Brand reputation
- Digital marketing
- Networking and events

The strategies establish trust and credibility between parties, which serve as essential factors that connect the two elements. Trust decreases perceived danger, while credibility boosts confidence in the investment bank's knowledge and operational abilities.

The framework identifies startup attraction and investor attraction as its two main dependent variables. The framework demonstrates that successful implementation of marketing strategies results in increased trust and credibility, which consequently determines whether startups and investors choose to partner with specific investment banks.

The framework demonstrates how marketing strategies impact client acquisition to Jalandhar through its distinctive regional characteristics.

3. Methodology:

3.1 Research Design

The research employed a cross-sectional descriptive design which collected data at a single moment to assess current marketing strategies used by investment banks. The research helps to understand how businesses implement practices such as branding and relationship marketing and digital marketing and networking and reputation management.

3.2 Research Participants

The research study included investment banks and financial advisory firms and Jalandhar banks which provided investment banking services. The study targeted key professionals who worked as investment bankers and relationship managers and senior executives responsible for marketing and client acquisition.

3.3 Sample Size and Sampling Method

Researchers used purposive sampling to identify suitable organizations and professionals for their study. The researchers obtained their final sample through two restricted time and access limitations which required them to select only a few people.

3.4 Data Gathering Techniques

The research used both primary data and secondary data for its analysis. The researchers collected primary data through structured questionnaires which examined marketing strategies and branding and digital marketing and networking and client trust. The team obtained secondary data from various sources which included reports and websites and RBI publications and research journals.

3.5 Data Collection Procedure

Permission was taken from institutions, and questionnaires were distributed through personal visits and later collected for analysis.

3.6 Data Analysis Techniques

Data was verified and analyzed using Excel. Descriptive tools like percentages, tables, and charts were used to identify key marketing strategies and their effectiveness.

4. Data Analysis and Results

The data collected from investment bankers and other financial experts in Jalandhar is analyzed and interpreted in this chapter. The purpose of the investigation is to understand the marketing strategies adopted by investment banks to attract startups and investors for funding.

4.1 Respondent Profile:

The respondents of the investigation include professionals from the investment banking industry and other related fields, including investment bankers, relationship managers, investment bankers, business development professionals, and senior financial planners.

The majority of the respondents possess expertise in areas like:

- Advice on fundraising for startups
- Corporate finance services
- Investor relations
- Marketing and business development

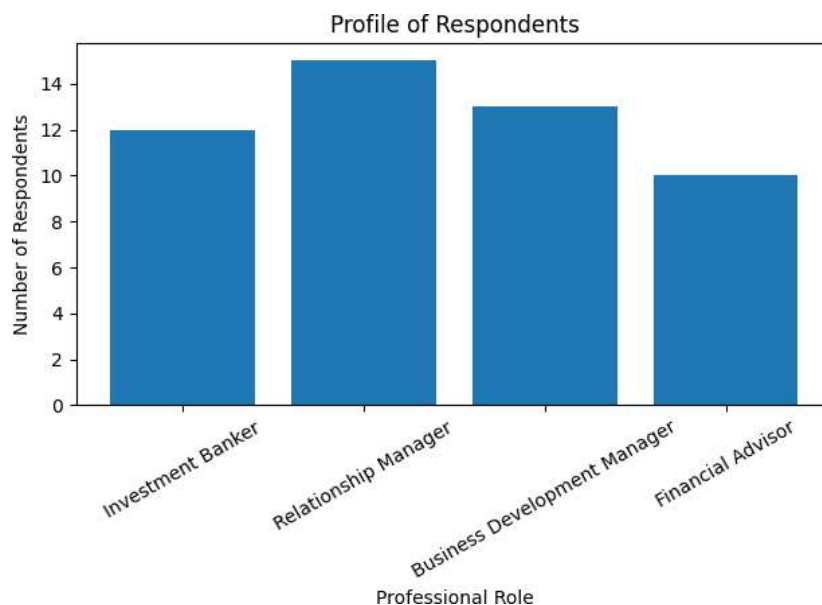
The majority of the respondents possess experience ranging from three to ten years, indicating that the respondents are sufficiently knowledgeable about the marketing strategies adopted by investment bankers.

4.1.1 Profile of Respondents

Table No. 4.1

Role	Number of Respondent
Investment Banker	12
Relationship Manager	15
Business Development Manager	13
Financial Advisor	10

Figure No. 4.1



Interpretation

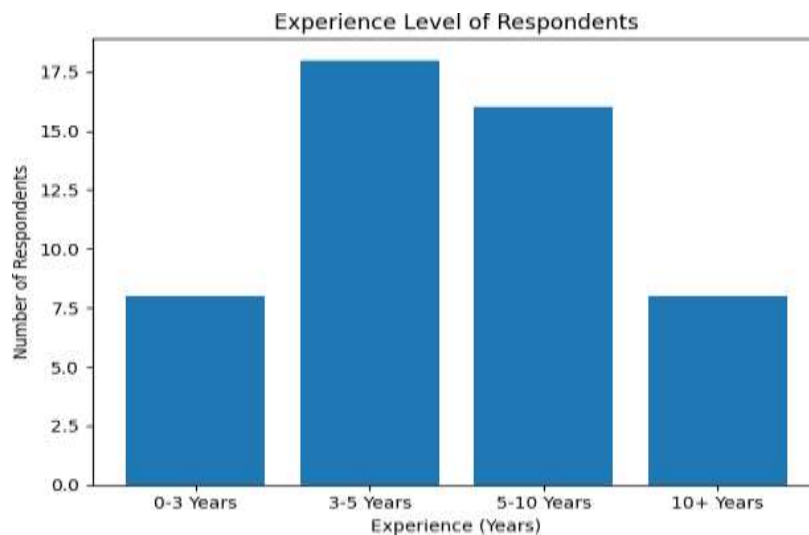
The table and graph show that the majority of respondents are relationship managers and business development managers. This indicates that professionals directly involved in client acquisition and marketing participated in the study.

4.1.2 Experience Level of Respondents

Table No. 4.2

Experience	Number of Respondent
0-3 Years	8
3-5 Years	18
5-10 Years	16
10+ Years	8

Figure No. 4.2



Interpretation

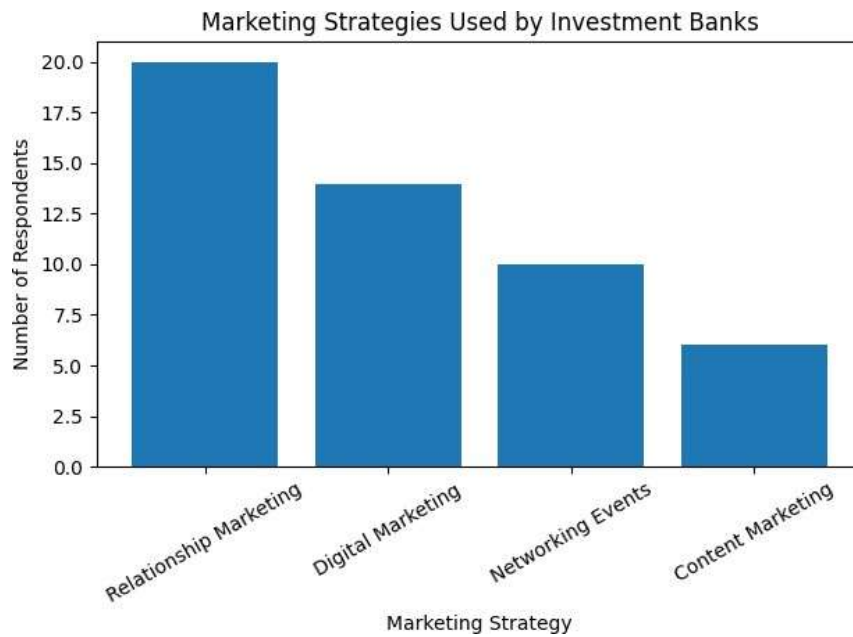
The data shows that most respondents have 3–10 years of experience in the financial services industry, indicating sufficient knowledge of investment banking marketing strategies.

4.1.3 Marketing Strategies Used by Investment Banks

Table No. 4.3

Strategy	Respondents
Relationship Marketing	20
Digital Marketing	14
Networking Events	10
Content Marketing	6

Figure No. 4.3



Interpretation

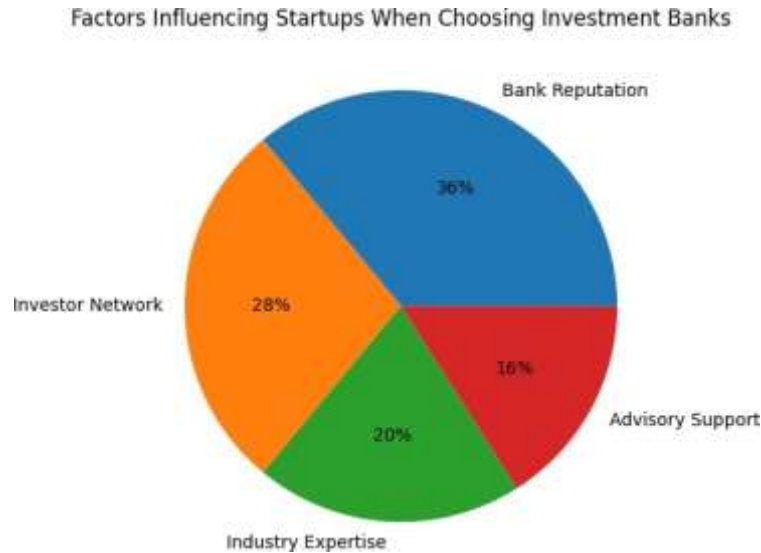
Relationship marketing is the most commonly used strategy among investment banks. Digital marketing and networking events are also widely used to attract startup clients.

4.1.4 Factors Influencing Startups:

Table No. 4.4

Factor Count	Importance
Bank Reputation	18
Investor Network	14
Industry Expertise	10
Advisory Support	8
Total	50

Figure No. 4.4



Interpretation:

The findings show that bank reputation and investor network are the most important factors influencing startups when selecting an investment bank for funding.

Overall interpretation of all the graphs:

The data clearly indicates that relationship marketing (40%) is the most preferred strategy among investment banks. This suggests that despite digital transformation, the industry still relies heavily on trust-based interactions.

Digital marketing (28%) shows growing importance, indicating a shift toward modern client acquisition methods. However, its lower percentage compared to relationship marketing implies that digital tools are used as a support mechanism rather than a primary strategy.

Networking events (20%) and content marketing (12%) play a complementary role, highlighting that physical interaction and knowledge sharing still contribute to client acquisition but are not dominant strategies.

The findings show that bank reputation (36%) and investor network (28%) are the most critical factors influencing startup decisions. This indicates that startups prioritize credibility and access to funding sources over other factors.

Industry expertise (20%) and advisory support (16%) are also important but secondary, suggesting that startups first seek assurance of funding success before considering additional services. This highlights that investment banks must focus on building strong brand image and investor connections to attract startup clients.

The analysis of the collected data reveals that investment banking marketing strategies are evolving but still rooted in traditional practices.

Firstly, relationship marketing dominates due to the high-risk nature of financial services. Trust and credibility remain the most important factors, as startups rely heavily on recommendations and professional networks.

Secondly, digital marketing is emerging as a strong supporting tool. Investment banks are increasingly using

LinkedIn, webinars, and online platforms to reach early-stage startups. However, digital marketing alone is not sufficient without personal engagement.

Thirdly, the importance of investor networks highlights that startups are outcome-oriented. They prefer investment banks that can directly connect them with funding sources rather than just providing advisory services.

Finally, the study indicates that an integrated approach combining relationship marketing, digital tools, and networking events is the most effective strategy for attracting startups.

4.2 Digital Marketing

The digital marketing sector functions as a crucial instrument which investment banks use to connect with startup founders through their online presence on LinkedIn and their company websites and their webinars and their blogs and their email newsletters. The program establishes startup visibility through its expertise sharing which helps build credibility with startups.

4.3 Networking Events and Startup Ecosystems

Investment banks establish direct links with startups and investors through their participation at startup conferences and pitch events and investor summits and workshops. The events establish business connections which serve as successful methods to acquire new customers.

4.4 Marketing Strategies Used by Investment Banks

The most common marketing approach among businesses uses relationship marketing because it depends on personal connections and word-of-mouth recommendations and business alliances with venture capital companies and incubators and current customers. Startups develop trust through strong relationships which lead them to start business relationships with companies.

4.5 Effectiveness of Marketing Strategies

The most successful method combines relationship marketing with digital marketing. The digital tools enhance visibility yet building client relationships through networking remains essential for converting startups into customers.

5. Finding and Discussion:

The study shows that relationship marketing is the most effective strategy used by investment banks. They rely heavily on personal networks, referrals, and long-term relationships. Trust and credibility are the most important factors influencing startup decisions because financial services are high-risk and relationship-driven. Startups prefer banks with proven track records and strong connections with investors, which matches existing literature.

At the same time, digital marketing is becoming more important, especially through platforms like LinkedIn, webinars, and websites. These tools help increase visibility and engage early-stage startups. However, digital efforts alone are not enough for conversion; they work best when combined with traditional methods.

Networking events and startup ecosystems are crucial for client acquisition. They enable direct interaction with founders, investors, and industry stakeholders. These platforms help build trust and improve the reputation of investment banks.

The findings also show that reputation, credibility, and strength of the investor network significantly affect startup choices. Startups prefer investment banks that not only provide access to funding but also offer strategic advisory services like valuation, financial modeling, and growth planning. This indicates a shift from transactional to

partnership-based relationships.

In regional markets like Jalandhar, personal relationships and local networks have a greater impact than just using digital strategies. Rising competition from boutique firms and fintech platforms is pushing investment banks to use new and integrated marketing methods, such as thought leadership and partnerships within the ecosystem. The study overall shows that combining relationship marketing, digital engagement, and networking yields the best results. Investment banks that blend these strategies can build trust, improve visibility, and attract startups and investors more effectively.

6. Conclusion:

This study examined how investment banks in Jalandhar's regional market use marketing strategies to attract startups looking for funding. The findings clearly show that relationship marketing is the most dominant and effective method. Trust, credibility, and professional networks significantly influence startup decisions. Startups prefer investment banks with strong reputations, proven experience in deals, and solid connections with investors. At the same time, digital marketing is becoming an important complementary tool. It allows investment banks to improve visibility, connect with tech-driven entrepreneurs, and showcase their expertise through platforms like LinkedIn, webinars, and online content.

Additionally, networking events and startup ecosystems provide key opportunities for direct interaction. These help investment banks build credibility and strengthen relationships within the entrepreneurial community. The study also emphasizes that startups increasingly look for investment banks that provide strategic advisory services beyond just funding. Services such as financial modeling, valuation, and growth advice indicate a shift toward long-term, partnership-based relationships. However, in regional markets like Jalandhar, personal relationships and referrals still play a central role. This reflects the importance of trust-based interactions at the local level.

Overall, the findings suggest that no single strategy is enough; instead, an integrated marketing approach that combines relationship marketing, digital engagement, and networking works best. Investment banks that successfully combine these strategies are better positioned to improve their brand, build trust, and attract startups in a competitive and changing financial environment.

7. Recommendations:

The study suggests that investment banks should focus primarily on strengthening relationship marketing and trust-building, as trust remains the most critical factor for attracting startups. Continuous engagement with founders, personalized advisory, and strong referral networks with venture capitalists, incubators, and mentors can significantly improve client acquisition. At the same time, banks must develop a strong digital marketing strategy by leveraging platforms like LinkedIn, webinars, and educational content to increase visibility and connect with early-stage startups. Additionally, positioning themselves as strategic advisors rather than just financial intermediaries by offering end-to-end support such as financial modelling, valuation, and growth guidance can help build long-term partnerships and enhance client satisfaction.

Furthermore, investment banks should focus on building industry specialization and expanding strong investor networks, as these are key factors influencing startup decisions. Active participation in startup ecosystems, improving brand reputation through case studies and thought leadership, and adopting flexible pricing models can make services more accessible to startups. The use of data, technology, and CRM tools can enhance targeting and efficiency. In regional markets like Jalandhar, combining local relationship-based strategies with digital tools is essential. Overall, a well-integrated approach that blends traditional networking with modern digital practices and continuous learning will enable investment banks to remain competitive and effectively attract startups.

8. Limitation of the Study:

The study is limited because it studies Jalandhar only, which makes its results impossible to apply to larger or global markets. The study results face two main issues because of their small sample size and purposive sampling method, which reduces their ability to provide accurate results and represent all participants. The study uses self-reported data, which introduces respondent bias, and time constraints restricted researchers from performing a detailed analysis. The study lacks sufficient startup input, which hampers its ability to achieve a fair representation of perspectives. The study faces three main limitations because it lacks specific secondary data, it does not include advanced statistical analysis, and the industry changes, which will make results lose their relevance as time passes.

9. Future Scope of Study:

The study identifies multiple crucial research topics that scientists should investigate in upcoming studies. The research requires geographic expansion through larger urban centers and multiple startup ecosystems to examine different market-based marketing approach differences. The research should gather startup founder perspectives because this information will deliver better understanding of their investment bank evaluation process and decision-making process and their expectations. The research should investigate how financing companies operate their business through different financial firms which include venture capital, private equity and fintech companies. The research requires investigation of digital transformation through AI and data analytics and fintech while conducting longitudinal studies that monitor marketing strategy evolution throughout different time periods. The use of sector-specific research and advanced statistical techniques to study investor behavior will produce more precise and data-based results. The research examines integrated marketing strategies to determine which methods work best for acquiring and keeping startup clients.

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