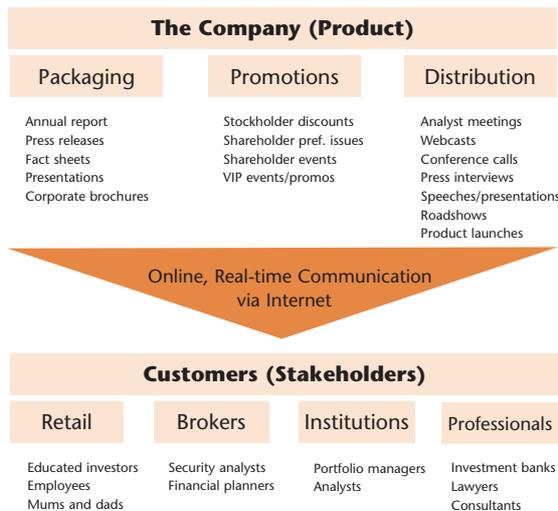


# An integrated IR marketing model

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Understanding the nature of listed company marketing is just one of the many areas a Company Secretary now needs to know to skillfully navigate the turbulent times ahead. The focus has shifted irrevocably to the credibility of company management and transparency as a major driving force for market ratings. With increasing pressure on management to drive performance and performance to then drive market rating, an 'integrated' approach to the issue of marketing a listed company is critical.

## Integrated IR Marketing Model



The diagram illustrates the systematic analysis of the listed company in a marketing context. That involves taking the listed company as 'The Product' and then attributing the Four Ps of marketing to the investor relations (IR) activities of the company as a whole. Taken together the four Ps encompass the total 'communications' of the company to its full range of stakeholders. The widest and timeliest distribution is via real-time Internet communication. In essence it is the compilation of these activities and how well they are coordinated and disseminated which helps to build the credibility required for attracting and retaining key investor groups.

## Measurements

How well the company is doing within each of these communications can be measured in various ways. The total measure of the investor communication can then be translated into a return on investor relations (ROIR). This ROIR can then provide a feedback mechanism for the Company Secretary on which areas may need attention and which are working effectively.

Nowadays, as highlighted by the Boston Consulting Group, investor expectation premiums (IEP) where the reputation and expectations of the management are evaluated in the overall rating for a stock, is now almost on par with the fundamental value. Thus the fundamental value now forms 53% and the IEP 47%. Together that equals the total market rating for a company.

The driver of IEP is linked directly to the credibility of the CEO and the executive team, on how they build and communicate the vision and performance of the company. Without coordinated communications across the organisation, it is difficult to build consistently timely communications and therefore meet the expectations of company stakeholders.

In formulating the approach, the four key areas of marketing must be firstly addressed:

- 1 Understand your customer.** Who are your best prospects? How would they benefit? What drives them? Short or long term motives?
- 2 Understand your product.** Why should they buy your product? What is its value as an investment to the identified target prospects?
- 3 Understand your communication tools.** Tools such as: public relations, analyst conferences and webcasts. Know their benefits and, importantly, limitations.
- 4 Manage your communication tools.** This requires your flawless execution of the tools.

The integrated IR marketing model forms the springboard for an effective and long-term approach to building the company's overall market rating, ensuring a sustainable basis for enjoying investor support for future company initiatives.

