

BRANDED

Fresh Thinking About
Branding And Marketing

Investor Communications and your Corporate Brand

To Align or
Not to Align?

In today's complex and even hostile investor environment, a company can no longer rely on performance and strategy alone to connect with investors. Companies with an engaging investor relations brand have the advantage of delivering focused, consistent messages that lead to more powerful connections with investors.

Investor Relations Officers (IROs) have always straddled the worlds of finance and communications. Today, with greater scrutiny and skepticism from investors, regulators and the general public, IROs are broadening their range of expertise to find new ways to connect with their most important audiences. Interactive annual reports and investor videos, for example, are increasingly used to deliver critical messages to the investor audience. But these tools, effective as they can be, are just that: tools. To work effectively, they must be deployed in the context of an overarching story, or brand. More and more, IROs need to understand the power of strategic branding if they want to get their story out there to the right people with the right messages.

Why Branding Matters in Investor Relations

In its simplest form, branding is the art and science of creating perceptions among an organization's key audiences—customers, prospects, investors, communities and employees. Traditionally, IROs had little to do with branding; they let a company's numbers do the talking, supported by presentations of management's strategy. But in a more complex and occasionally even hostile investor environment, a company's performance and strategy must be presented within the framework of an overall story: what does the company stand for? What is its core value proposition? In short, what is its brand?

B2C vs. B2B: Key Differences in IR Brand Development

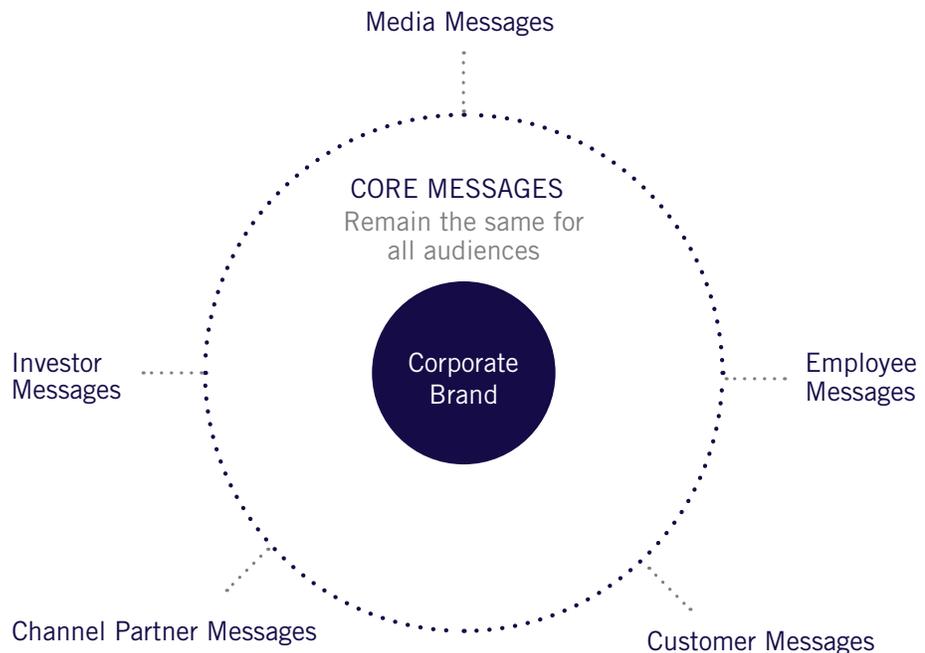
For companies that market primarily to consumers, the corporate brand may not work for investors. IROs in these companies may want to develop an "investor relations" brand. Consider this example. Our client is a major national refrigerated food company. Its brand is built on freshness and nutrition—great attributes for consumers, but hardly of primary concern to investors. Working with the company's IRO and senior management, we developed an investor relations brand that told a compelling story about the company's unique distribution network and the financial, marketing and logistics advantages it created. The brand was deployed in an investor video, on the company's investor website and in the talking points of every presentation made by the company to investors. Now, when management meets with investors, they have an ingrained perspective on what the company stands for and what its long-term "value proposition" is for investors. Consumers see their brands in the supermarket

and think “fresh.” But investors see ticker symbol on their Bloomberg terminal and think “scalable distribution platform.” Two different—and largely unrelated brands—for two different audiences.

The situation is typically quite different for B2B companies. Often, the corporate brand and investor brand are closely related. For example, the corporate customers of a major network hardware client of ours demand financial strength, management depth and full transparency before making multi-million dollar purchase decisions. These are precisely the qualities investors want to see when evaluating an investment in the company. In this situation, the corporate brand works for investors and customers—but it must be carefully adapted to align effectively with investor concerns.

When Investor Communications Align with the Corporate Brand

This is where message mapping comes in. Starting with the company’s brand, we develop a set of core messages that remain unchanged regardless of audience. These core messages are the types of messages you’d typically see on a company’s homepage, the hub where all constituents meet—customers, prospects, the media, investors. Then, we “map” individual messages to individual audiences, always careful to ensure that they foot back to the brand itself (see diagram below).



A MESSAGE MAP HELPS ADAPT CORE BRAND MESSAGES TO SPECIFIC AUDIENCES

In the case of our network equipment client, a key brand pillar has to do with transparency. For customers, this means offering a window into their R&D process so that they know that their network can evolve along with the company as technology advances. For investors, transparency means a commitment to timely financial disclosures and a window into how financial results are derived and interpreted. The notion of transparency stems from the same core brand, but it is “mapped” in two different messages to two different audiences.

Another example of a B2B company that successfully adapted its corporate brand to appeal to investors is a long-standing software client. The company’s customer-focused brand was built on speed and efficiency—its software enables R&D operations to perform more experiments faster and at lower cost, answering a key need among its clients to fill their discovery pipelines without extensive capex investment. The company’s investor brand used the corporate brand as a foundation, but essentially turned it upside down. Instead of focusing on the performance of its products, it focused on the need in the marketplace—and its ability to meet that need. Investors had to understand that there was a huge and growing market for the company’s solutions, so the brand and supporting messaging highlighted the marketplace first, the company’s products, second.

When Investor Communications DON’T Align with the Corporate Brand

If the corporate brand can’t be leveraged for investor communications, as is often the case with B2C companies, it makes sense to create a separate investor relations brand. The process is similar to that involved in building a corporate or product brand—and is far too complex to cover comprehensively in a single paper. However it always begins with research to understand audiences’ perceptions and needs, the development of an overarching positioning that succinctly encompasses the company’s value proposition to investors, and supporting messages that resonate powerfully. Often, the positioning and messages are tested on a small group of investors to ensure that they resonate appropriately.

Once an investor brand is in place, the tools for deploying it are similar to those used in corporate or product branding: advertising, literature, trade shows and public relations. Companies with an investor brand have the advantage of communicating with a focused, consistent message. Their annual reports, presentations, IR website and even casual interactions between management and asset managers all tell the same story, delivered in the same voice. For consumer-focused companies, creating such an investor brand may mean starting from scratch. B2B companies may be able to use message mapping to adapt their corporate brand to the investor audience. In either case, the time and effort required will almost certainly pay off in deeper, more productive relationships with investors.

About DeSantis Breindel



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DeSantis Breindel is a B2B branding and marketing firm based in New York. At critical inflection points, we work with our clients to align brand strategy with business strategy—creating stories and experiences to engage customers, influence prospects, rally employees, inspire investors and build communities. To learn more go to www.desantisbreindel.com

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