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Investor relations benefits from technology

Communications with individual investors is rapidly increasing.

"Push" technology — a software program that collects data about the investor's interests and sends related information to him — is steadily increasing.

Companies are beefing up their investor relations/corporate communications departments. These and other trends are of interest to all public companies vying for attention in the capital markets.

The National Investor Relations Institute, the voice of the investor relations professional since 1970, recently introduced results from a recent survey, "An Analysis of Trends and Use of Technology in Investor Relations."

It is no secret to anyone (considering what is happening in the stock market), but investor relations, as a profession, is still on a roll.

Companies have ramped up communications with individual investors. Thirteen percent of responding companies enhanced their retail broker program in the past two years, a figure expected to increase to 33 percent within 12 months.

Materials printed especially for individual investors is up by 23 percent, expected to



PUBLIC COMPANIES

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increase to 40 percent within the year.

Twenty-one percent are now involved with the National Association of Investors Corp. (NAIC), with an expected increase to 45 percent within the next 12 months.

It is interesting to note that 16 percent will create a database of high net worth individuals within the year. And, not surprisingly, more than half of the respondents have created Web pages specifically for individual investors; this figure is expected to rise to 65 percent within the year.

Other trends in use of the Internet include push technology. Twenty-seven percent of responding companies use this valuable tool, versus 11 percent two years ago. But only 67 percent of investor relations officers (IROs) believe e-mail is a key component of their company's investor relations program. However, virtually all NIRI companies (98 percent) have investor relations sections on their corporate Web sites.

For IROs, 92 percent believe investment professionals are comfortable with them speaking for management about general business topics. Far more IROs indicate their firm will increase rather than decrease the number of staff for their investor relations teams. Thirty-one percent have hired more staff since 1998 and 13 percent expect to do so in the next year. Conversely, only 6 percent have decreased their investor relations work force during the past two years and 2 percent have plans to name cuts in the near future.

IROs take a leading role speaking with the financial media, with 70 percent saying they are corporate contacts with this audience. (Only 44 percent said corporate communications and/or public relations have this role.) In fact, 19 percent said the media relations function has moved to IR within the past two years, compared to 2 percent who say it has moved away.

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