

# On the Discursive Construction of the Equity Story in PowerPoint Presentations

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**Abstract** It is the aim of this paper to contribute to a communication perspective on the study of the equity story seen as a strategic management tool within Investor Relations (IR). To be more specific, a first step is offered towards developing characteristics of how the equity story is discursively constructed. An international small-scale study of selected PowerPoint presentations serves as point of departure. The focus of the analysis is three main characteristics of the equity story when seen as an IR strategic management tool: the importance of both forward and backward looking parameters; the importance of both financial and non-financial information; and the two inherent, potentially conflicting communicative purposes: to give a true and a fair view of the state of the company's affairs and to provide a positive image of the company. In order to account for the discursive construction of these characteristics, a method assemblage is applied and an analysis of temporal reference, a topic analysis and an analysis of visual means of communication have been conducted. The study reveals two main characteristics of the discursive construction of the equity story that point to the strategic use of the equity story not only as a means of making a company's share attractive, but also as a means of making it more attractive than comparable companies' share.

**Keywords** Investor Relations, discourse analysis, corporate communication, strategic communication, financial communication

## 1 Introduction

Investor Relations (IR) is widely accepted as a relatively new field, but nevertheless a field that is seen as increasingly important (e. g. Dolphin 2004, Goodman/Hirsch 2010, Kelly et al. 2010). In a wider perspective, this is due to companies' increasingly important quest for licenses to operate, which forms the basis of all corporate communication (cf. Christensen et al. 2008, Goodman/Hirsch 2010, Powell/DiMaggio 2000, Suchman 1995). IR is widely recognized as "a strategic management responsibility that integrates finance, communication, marketing, and securities law compliance to enable the most effective two-way communication between a company, the financial community and other constituencies, which ultimately contributes to a company's securities achieving fair valuations" (cf. the definition of IR offered by the professional organization of IR officers in the US, the National Investor Relations Institute (NIRI) 2011 [2003]).

Being a strategic management responsibility, IR becomes more than an operational function in a company, a function that "deserves *a seat at the table*" as Guimard (2013: xii) states – an aspect that serves as point of departure for this study and will be dealt with in more detail below. According to the above definition, it is the overall objective of IR to achieve a "fair valuation" – and not to drive up the equity value (cf. Nielsen/Bukh 2010) – in order to prevent volatility of a company's shares (cf. above and Guimard 2013). IR is further characterized by the integration of a wide range of functions and disciplines, including communication and marketing, in order to enable "the most effective two-way communication" between different

stakeholders. In other words, IR is interdisciplinary by nature and concerned with entering into dialogue with a company's stakeholders about financial issues. This highlights the importance of communication within IR in general, and explains the call for a strong relationship between IR and corporate communication (Guimard 2013, Ryan/Jacobs 2005), or even a convergence of IR and strategic communication like corporate communication or public relations (cf. Laskin 2009, Silver 2005). However, despite the fact that communication plays a pivotal role for IR in general, IR is still one of the least researched areas of corporate communication (e. g. Laskin 2009). To further illustrate the importance of communication within IR, it is worth noting that potentially it has a considerable effect on a company's equity value; what, how and when communication takes place sometimes affects the equity value more than the actual data (Nielsen/Bukh 2011). Ryan and Jacobs even believe that "the art portion of evaluation [how the financial performance is communicated (how, when, what, to whom, and by whom) relative to expectations] can make up anywhere from 20 to 40 percent of the total evaluation at any given time" (Ryan/Jacobs 2005: 85).

As a strategic management responsibility, IR becomes a matter of top level management, is integrated into the top management decisions process (cf. Laskin 2010) and turns into a critical part of corporate strategy (e. g. Dolphin 2004, Ryan/Jacobs 2005). Consequently, every company is recommended to develop an IR strategy that is closely related to the overall corporate strategy (cf. the Danish Investor Relations Association (DIRF) 2011, Ryan/Jacobs 2005). One of the cornerstones of a company's IR strategy is the so-called equity story, i. e. the story of a company's accomplishments and the investment potential of its shares, which is communicated in order to give an impression of its ability to succeed in future, thus making a company's share attractive to actual and potential investors (cf. DIRF 2011, Guimard 2013, Lykkesfeldt 2006). The equity story is sometimes referred to as "investment case" (e. g. Guimard 2013), "investment story", "investment thesis", "value story" (e. g. Ryan/Jacobs 2005), or "value creation story" (e. g. PRNewswire 2011). However, even though the importance of the equity story is widely recognized in IR (related) literature (e. g. DIRF 2011, Guimard 2013, Nielsen/Bukh 2011, PRNewswire 2011, Ramirez 2011, Ryan/Jacobs 2005), so far it has been treated poorly as an object of study in its own right.

It is the aim of this paper to contribute to the study of the equity story from a communication perspective by offering a first step towards developing characteristics of how the equity story, seen as an IR strategic management tool, is discursively constructed. The first step is the result of an international small-scale study of the equity story of five large cap companies awarded the 2012/2013 IR Magazine grand prix for best overall IR (IR Magazine 2012, 2013a, b, c, d). A discourse analysis serves as point of departure for developing characteristics of how the equity story is discursively constructed. The notion of discursive construction reflects the fact that the present analysis adheres to a constructivist view (Berger/Luckmann 1996 [1966]), according to which discourse is constitutive of the social world – "not a route to it" (Phillips/Hardy 2002: 6) – and texts can be considered a material manifestation of discourse (Chalaby 1996).

In the following section 2 the equity story is introduced as a cornerstone of an IR strategy, and three distinct characteristics of the equity story will serve as point of departure for the reported study. This is followed by a presentation of the research design in section 3, including the data and method of analysis. On the basis of the findings of the study presented in section 4, the characteristics of the discursive construction of the equity story, seen as an IR strategic management tool, are discussed in section 5. The final section 6 contains concluding remarks.

## 2 The equity story – a cornerstone of an IR strategy

As the story of a company's accomplishments and the investment potential of its shares, the equity story emphasizes the main selling points of the company in order to centre investor focus. Further, it communicates the company's main strategic business lines, identifies the company strengths and sector appeal, identifies problematic areas for competitors in the past, prepares preventive responses, and finally stresses the company's financial strategy (Ramirez 2011: 75).

Because IR is widely accepted today as a strategic management responsibility with the overall objective to achieve fair valuation of a company's shares (cf. NIRI 2011 [2003]), the equity story constitutes an important cornerstone of an IR strategy (cf. DIRF 2011, Ryan/Jacobs 2005). Further, working strategically with IR implies developing an IR strategy that is closely related to the overall corporate strategy. In this context, the equity story can be seen as an IR strategic management tool that ensures alignment with the overall corporate strategy, supporting the mission of the company (Ryan/Jacobs 2005). It serves as more than "the company's face to Wall Street" (Ryan/Jacobs 2005: 88). It is the core narrative of the company as an investment case and should be reflected in all (IR) communication. From a management perspective, the equity story can be seen as the business case of IR (cf. Nielsen/Bukh 2011).

As is clear from the above, developing and communicating the equity story is critical. It is thus not surprising that IR practitioners see it as a major challenge, which appears from an IR survey from 2013 among European Investor Relations Officers conducted by Citigate Dewe Rogerson. The survey revealed that "conveying a clear investment case in a new economic reality" was considered the key IR issue by 39 % of the respondents (Citigate Dewe Rogerson 2013: 5). There is no doubt that contextual factors like "the economic reality" have contributed to this. However, it might be argued that factors linked to significant characteristics of the equity story as an important strategic IR management tool in general also give rise to challenges. Three general characteristics will be described below.

The first characteristic relates to the fundamental idea of investing. Investments are in the nature of things made with the expectation of future additional profit. For that reason, valuation of a company's investment potential is based on expected future earnings (Draho 2004). The future might even be seen as more important than the past and the present: "The future is, after all, what analysts are concerned with. They know what the present is and what the past was", as Marcus (2005: 156) points out. The future perspective of investing is thus the first characteristic of the equity story as an important strategic IR management tool.

Due to the inherently unpredictable nature of the future, the immediate implications of the future perspective are at least threefold: 1. IR is all about trust and credibility (e. g. Allen 2002, Argenti 1998, cf. Minow 2002; on trust and the importance of communication, cf. for instance Ditlevsen 2014); 2. the main goal of IR activities is to educate stakeholders in order to enable them to understand the company (cf. Arvidsson 2012, Laskin 2010, Lauria 2008) and thus the investment potential of the company; 3. non-financial information plays a decisive role in IR (e. g. Guimard 2013, Laskin 2010, Ryan/Jacobs 2005).

The latter also constitutes the second characteristic of the equity story as it is generally agreed upon that the valuation of a company is increasingly based on other factors than financial (e. g. Draho 2004, Eccles/Krzus 2010, Laskin 2010). Between one third and possibly more than half of a company's value is thus at present linked to non-financial information (e. g. Guimard 2013). The importance of non-financial information in IR and corporate communi-

cation in general is further reflected by the massive attention being paid to issues of corporate social responsibility and sustainability (for an overview, cf. for instance Andersen et al. 2013), including socially responsible investing (e. g. Blodget 2007, Sandberg et al. 2009). It is further reflected by changes in corporate reporting practices and guidelines (e. g. the sustainability reporting guidelines by the Global Reporting Initiative [GRI 2013] and the integrated reporting guide by The Prince's Accounting for Sustainability Project [A4S 2009]).

The final characteristic of the equity story as an important strategic IR management tool relates to inherent communicative challenges. On the one hand, the equity story contributes to the overall objective of IR, i. e. for a company to achieve fair valuation by educating its stakeholders in a trustworthy and credible way and thus enabling them to make informed decisions about the investment potential of the company. On the other hand, companies are increasingly competing for capital due to factors including globalization and technology. For that reason, the equity story also strives to make a company's share attractive to actual and potential investors. Consequently, the equity story "must simultaneously convey a 'true message' of the company and make that image attractive to its investors" (Ramirez 2011: 75). In other words, creating and communicating an equity story is a balance between making a company's share more attractive and remaining credible and trustworthy. This balance constitutes the third characteristic of the equity story.

### 3 Research Design

The characteristics of the equity story serve as point of departure for a small-scale discourse analysis of the equity story of five large cap companies. The five companies in question are BASE, Covidien, KROTON, SingTel and TD Bank Group, which have all been awarded the 2012 and/or 2013 IR Magazine grand prix for best overall IR in their respective regions, South East Asia (SingTel, Singapore), Brazil (KROTON), Europe (BASE, Germany), and North America (Covidien, United States of America; TD Bank Group, Canada) (IR Magazine 2012, 2013a, b, c, d). The IR awards are based on surveys among analysts and investors, so the awarded companies represent what is regarded best practice internationally within IR.

#### 3.1 Data

The data set for the discourse analysis comprises archived PowerPoint presentations of the companies available on their IR websites. Within an IR context, presentations in general count as one of the basic activities (Laskin 2009) that have the potential to influence the investment community's perception and understanding of a company, and thus their valuation of it (Guimard 2013). Due to the status of a presentation as an "in-person-event" (Ryan/Jacobs 2005: 205), it can be a strong vehicle for building valuable, mutually beneficial relationships with the financial community. Consequently, presentations should be part of a company's basic IR programme, together with the IR website, guidance and Q&A material, according to the IR excellence model by Lykkesfeldt (2006). Given that PowerPoint presentations can be seen as an integral part of presentations, they too should be a part of a company's basic IR programme. The UK organization of IR professionals, the Investor Relations Society (IRS), recommends archiving PowerPoint presentations and other information relevant to a presentation on the corporate IR website (IRS 2013). In this way, a company can ensure equal access for all investors, "whether they are at the event or accessing information via the website" (IRS 2013: 1).

In the present study, the focus has been on archived PowerPoint presentations. However, only those presentations that aim at presenting the company as an investment case in general have been considered for the study, excluding presentations of financial results for specific quarters and presentations of more specific news and events. More precisely, the final data set consists of the most recent PowerPoint presentation for each of the above companies that were available on their IR websites by October 1<sup>st</sup>, 2013, and that complied with the above criteria (cf. table 1).

Table 1: Data set

Company	Title of presentation	Date	No. of slides
BASF	We add value as <i>one</i> company. Capital Market Story	August, 2013	40
Covidien	Covidien 2013 Investor Day	12 September, 2013	96
Kroton	Institutional Presentation	May, 2013	55
SingTel	SingTel: Asia's leading communications group. CLSA Investors' Forum 2013	23 September, 2013	10
TD Bank	TD Bank Group. Investor Presentation. Q3 2013 <sup>1</sup>	29 August, 2013	35

A few comments need to be added to the suitability and use of PowerPoint presentations in this study. Firstly, a PowerPoint presentation usually functions to support, clarify and/or illustrate an oral presentation. It is thus usually part of a multimodal context. However, when archived on the IR website, the PowerPoint presentation is potentially used isolated as a media in its own right, by means of which a company can communicate its equity story to its stakeholders and thus educate the investors to understand the company. For that reason, archived PowerPoint presentations are suitable for the purpose of the reported study. A final comment relates to one of the main characteristics of a PowerPoint presentation: the fact that it consists of a series of slides, each offering limited space for communication. Consequently, meanings are split into chunks and discursively constructed by means of a strong use of ellipses, nominalizations, and visual elements to name a few. These characteristics have an impact on the method of analysis.

### 3.2 Method of analysis

The discourse analysis is based on a semiotic perspective on language (cf. e.g. de Saussure 1993, Peirce 1958–1965) and has been performed manually using Nvivo10 software on the basis of predefined categories presented below. It focuses on the three characteristics of the equity story presented above. Generally adhering to a mixed methods approach (Johnson et al. 2007), the fundamental point of departure is neither theory, nor method, nor praxis but the research agenda itself. In order to account in the best possible way for the three characteristics in the analysis, a method assemblage has been developed and applied (Law 2004: 14).

The first characteristic of the equity story addressed in the discourse analysis is the fact that a company's investment potential is dependent on its ability to succeed in future and that

<sup>1</sup> Despite the focus on the financial results for the third quarter of 2013 in the title, the presentation is concerned with a more general presentation of TD Bank as an investment case.

the equity value thus is a result of both backward and forward looking parameters. Consequently, from a communicative perspective the equity story is expected to include the past, the present and the future. An analysis of temporal reference documents to what extent the equity story points to:

- the past, i. e. when the companies present past performances like long-term financial results 2009–2013 (Covidien, slide no. 60) or adjusted earnings 2007 to 2013 (TD Bank, no. 11);
- the present, i. e. when the companies present current information like present product portfolio (BASF, no. 5) or current global business operations (SingTel, no. 3); and
- the future, i. e. when the companies present forward looking information like an outlook of what the company expects, focuses on and aims for in the year to come (BASF, no. 11) or the product innovation plan for the following three years (Covidien, no. 26).

Due to the characteristics of IR presentation slides presented above, the decision was made to define the slide as the unit of analysis. As a result, each category can only be assigned once per slide.

Secondly, as the equity value is a result of both financial and non-financial performance, the equity story is expected to include both financial and non-financial information. A topic analysis (Li/Yamanishi 2000, Ditlevsen et al. 2007) documents whether and to what extent both financial and non-financial information is present in the presentation slides.

Even though it is generally agreed upon that the valuation of a company is increasingly based on non-financial factors, there does not seem to be a generally accepted understanding of what counts as non-financial information (Eccles/Krzus 2010). It is often used synonymously with intangibles (Laskin 2010) or refers to environmental, social and governance information (sustainability) and key performance indicators (Eccles/Krzus 2010). However, there does seem to be a general understanding that the boundaries between financial and different kinds of non-financial factors and information are blurred (cf. Eccles/Krzus 2010, Guimard 2013, Laskin 2010), which indicates that financial and non-financial information are intrinsically linked. In their book on integrated reporting, Eccles and Krzus define for their purposes non-financial information as

a broad term that applies to all information reported to shareholders and other stakeholders that is not defined by an accounting standard or a calculation of a measure based on an accounting standard, such as revenue growth, which we [i. e. Eccles and Krzus] will refer to as ‘financial information’ (2010: 83).

Inspired by this definition, the present analysis will distinguish between financial information that is prototypically based on accounting standards, directly or indirectly, and non-financial information that is prototypically not, and which to a larger extent than the financial information reflects a management and business perspective. When, for instance, Kroton’s PowerPoint presentation (no. 3) displays the growth of EBITDA, i. e. earnings before interest, taxes, depreciation and amortization (Taparia 2004: 88), and net revenues, financial information is present in that particular slide; on the other hand, when Kroton’s slides nos. 6–17 provide an overview of Brazil’s education sector, e. g. the level of graduation in the postsecondary (e. g. the number of students who hold a secondary degree and graduate in postsecondary) or the enrolment rate (e. g. students between 18 to 24 years old in postsecondary education in relation to the total population of that age group), non-financial information is present in those slides.

A further and more detailed topic analysis focuses on the different types of non-financial information in the presentation slides. A wide range of very diverse categories of non-financial information can be found in literature dealing with financial and non-financial information. For example, Eccles and Krzus (2010) suggest three – overlapping and intersecting – subcategories of non-financial information within integrated corporate reporting: intangible assets, key performance indicators, and economic, social and governance metrics. And in more specific IR literature, Marcus (2005) stresses the importance of the intangible factors of management and plans. Laskin (2010) presents in his focus on non-financial information Lev's (2005) categories of intangible assets, i. e. products/services, customer relations, human resources, organizational capital; Kaplan and Norton's (1992) balanced score card with its four main groups of performance indicators, i. e. the financial, the internal business, the customer, and the innovation and learning perspective; and finally Ernst & Young's (1997) alternative balanced score card with a total of eight categories of non-financial measures, i. e. quality of management, effectiveness of executive compensation policies, strength of corporate culture, level of customer satisfaction, strength of market position, quality of products and services, effectiveness of new product development, and quality of investor communications. Draho (2004: 165 f.) suggests that potential investors should pay special attention to non-financial information such as share retention, reputation, risks and corporate governance. His advice relates specifically to the valuation of a company in an initial public offering process, but it seems applicable for valuation in general. Finally, Guimard (2013) seems to respond to the consequences of the blurred boundaries between financial and different kinds of non-financial information (cf. above), by not distinguishing clearly between them in her advice on which important IR topics should be dealt with by a company in order to facilitate the valuation process. According to Guimard (2013), the most important IR topics are the overall vision of the company, the good and bad news, the company's competitive advantages, and its performances, as measured by the indicators that are used internally and by the financial market's preferred metrics. In the same vein, albeit in a more general context, Bruce W. Marcus (2005) introduces essential elements of a business plan developed by Lucy P. Marcus with the aim to give "the best and most accurate picture of a company" (Marcus 2005: 113). Of the eight main categories, the following five are relevant for the categorization of non-financial information: business description; the market; research and development; sales, marketing and business development and partners; and management. The suggested elements of the business plan differ significantly from the other categories of information presented above as they represent suggested topics of actual text segments, which makes them more applicable for the present study. For that reason, the list of essential elements of a business plan was taken as point of departure in the coding process, with a view to the other perspectives on and categories of non-financial information presented above. Further applied was the overall management and business perspective on non-financial information. This resulted in the categories:

- business description, i. e. the market position of the company's portfolio (Covidien, no. 14);
- management, i. e. when it is concluded that a company is led by a proven management team (Covidien, no. 36);
- market, industry and economic environment, i. e. demographic challenges (BASE, no. 13) or market characterizations (TD Bank, no. 5);
- strategic issues with the two sub-categories 1. investments and acquisitions, i. e. major investment projects (BASE, no. 26) and 2. research and development, i. e. new

products like the Daimler & BASF concept car “*Smartforvision*” (BASF, no. 20) or transformational progress highlights like restructured sales and distribution channels (SingTel, no. 7).

Here too, and for the same reasons as above, the unit of analysis is the slide; consequently, each category can only be assigned once to a slide.

The third and final characteristic dealt with in the discourse analysis relates to the dual communicative purpose of the equity story that balances between making a company’s share more attractive and remaining credible and trustworthy. From a communication perspective, the equity story serves two potentially conflicting purposes (cf. for instance Ditlevsen 2002): a) giving a true and a fair view of the state of the company’s affairs, serving mainly informative purposes, and b) providing a positive image of the company, serving mainly appellative and expressive purposes. For that reason, the equity story is expected to feature both informative and appellative/expressive means of communication (hereafter appellative means).

The focus of this part of the analysis is on the visual means of communication used in the presentation slides (on the use of visual means of communication within IR, cf. Ditlevsen 2012a, 2012b). It draws on works by Jakobson (1992 [1965]), de Saussure (1993) and Peirce (1958–1965) and is concerned with the use of icons, where the relation between the form and the concept of the sign is that of imitation (e. g. a portrait), and the symbol, where the relation between the form and the concept of the sign is that of convention (e. g. a logo). Generally speaking, the icon can imitate the concept that it represents in two ways. When it possesses concrete iconicity and thus represents relevant, recognizable characteristics (in a portrait, for instance), the icon will have a so-called representational format. Alternatively, when it possesses abstract iconicity and thus represents the concept in a metaphorical way (in a bar chart, for instance), the icon will have a so-called analytical format. In this context, the group of icons with representational format include photos, like photos of a family dinner, a child washing its hands at a sink, or a construction worker standing in front of wind turbines (BASF, no. 3), as well as product related photos (BASF, no. 4) and stylized representations like the drawing of a world map (Covidien, no. 23) or the human body (Covidien, no. 30). Icons with analytical format include tables, organizational charts, graphics (i. e. bar/column, pie/doughnut or a combination) (for examples, see appendix 1). Finally, the group of symbols includes logos, which in the present study mainly means the company logos of BASF, Covidien, Kroton, Sing-Tel and TD Bank.

Following Bühler’s instrumental Organon model (1982 [1934]) with its three main functions of language, i. e. representation, expression and appeal, in principle each visual element serves both communicative purposes of the equity story simultaneously. However, the salience of these purposes may vary, as Bühler points out. Based on this, the claim of the present paper is that the symbol mainly supports the communicative purpose of providing “a positive image of the company” and thus mainly serves appellative/expressive purposes. The same applies *ceteris paribus* to the icons with a representational format, which (compared to the icons with an analytical format) seem to have the ability to be more expressive and appellative (cf. Simpson 2000). Following this, the claim is that the icons with an analytical format mainly support the other communicative purpose of giving “a true and fair view of the state of the company’s affairs” and thus primarily serve informative purposes (for a critical perspective on the (mis-) use of graphics in IR communication, cf. Courtis 1997 and Frowfelter-Lohrke/Fulkerson 2001). The analysis of visual means of communication differs from the two other analyses in that a



category has not been restricted to one per slide but has been assigned to every visual element in the presentation.

## 4 Findings

### 4.1 Analysis of temporal reference

The analysis of temporal reference (cf. table 2) reveals that all presentations include the past, the present and the future. In the presentations overall, the present and future perspectives are almost equally represented, while the past perspective is mentioned more often: for every one time the present perspective is found, the past perspective is present 1.4 times. However, the extent to which the individual presentations point to the past, present and future differs significantly. The BASF and Covidien presentations refer to a far larger extent to the past and future than to the present. The same tendency appears from the result of the analysis of temporal reference in the SingTel presentation. Due to the very limited number of slides in the SingTel presentation (10, cf. table 1), however, the significance of the result is limited. This is a reservation that applies to all findings in the SingTel presentation. At the other end of the spectrum can be found the Kroton and TD presentations, which primarily refer to the present, less to the past and relatively infrequently to the future.

Table 2: Temporal reference

	Past	Present	Future
BASF	20 (50 % <sup>2</sup> )	6 (15 %)	17 (43 %)
Covidien	38 (40 %)	14 (15 %)	32 (33 %)
Kroton	18 (33 %)	25 (45 %)	10 (18 %)
SingTel	4 (40 %)	1 (10 %)	2 (20 %)
TD	15 (43 %)	20 (57 %)	9 (26 %)
<b>Total</b>	<b>95 (40 %)</b>	<b>66 (30 %)</b>	<b>70 (30 %)</b>

### 4.2 Topic analysis

As expected, both financial and non-financial information is included in all presentations (cf. table 3). There are generally more slides containing non-financial information than slides containing financial; for each slide containing financial information there are nearly 1.5 slides containing non-financial information. Nearly the same ratio is found in the BASF and Covidien presentation slides, with 1.4 and 1.3 slides containing non-financial information for every slide containing financial information, respectively. The Kroton and SingTel presentations include far more slides containing non-financial information than slides containing financial information: 2.6 and 2.5, respectively, per slide containing financial information. Finally, the TD presentation contains less: 0.9.

<sup>2</sup> The percentages presented in the tables indicate how many percentages of the slides in question include the analyzed features.

Table 3: Topic analysis<sup>3</sup>

	Financial	Non-financial				
		Total	Business description	Management	Market, industry and economic environment	Strategic issues
BASF	14 (35 %)	19 (48 %)	2 (5 %)	0 (0 %)	4 (10 %)	14 (35 %)
Covidien	32 (33 %)	43 (45 %)	5 (5 %)	1 (1 %)	6 (6 %)	36 (38 %)
Kroton	13 (24 %)	34 (62 %)	9 (16 %)	0 (0 %)	15 (27 %)	10 (18 %)
SingTel	2 (20 %)	5 (50 %)	1 (10 %)	0 (0 %)	0 (0 %)	4 (40 %)
TD	22 (63 %)	19 (54 %)	16 (46 %)	0 (0 %)	2 (6 %)	2 (6 %)
<b>Total</b>	<b>83 (35 %)</b>	<b>120 (51 %)</b>	<b>33 (14 %)</b>	<b>1 (4 %)</b>	<b>27 (11 %)</b>	<b>66 (28 %)</b>

The most common type of non-financial information in the presentations overall is strategic issues. For each slide containing information on strategic issues there is 0.5 slide containing information on business description and slightly less, 0.4, on market, industry and economic environment. Only one slide contains specific information on the management team and is found in the Covidien presentation. Strategic issues also cover the most common type of non-financial information in the individual presentations of BASF, Covidien and SingTel: 74–84 % of these companies’ presentation slides containing non-financial information pertain to information on strategic issues, 14 of 19, 36 of 43, and 4 of 5, respectively. On the other hand, 84 % of all slides containing non-financial information in the TD presentation pertain to information on business description (16 of 19), and only to a very limited extent other non-financial information. Finally, the Kroton presentation is characterized by a relatively large proportion of non-financial information on market, industry and economic environment (44 % of all slides containing non-financial information, 15 of 34) as well as strategic issues (29 %, 10 of 34) and business description (26 %, 9 of 34).

#### 4.3 Analysis of visual means of communication

The presentations generally feature visual means of communication that support both communicative purposes of giving a true and fair view of the state of the company’s affairs and providing a positive image of the company (cf. table 4). The appellative means of visual communication are overall more than twice as frequent as the informative means of visual communication. In this context the symbols, more specifically company logos, account overall for 77 % of all appellative means (272 of 355). However, with a few exceptions the symbol is primarily an integrated part of the PowerPoint templates and does not in that sense contribute

<sup>3</sup> Due to the coding principles described in section 3.2, the total numbers pertaining to financial and non-financial information, respectively, express the number of slides in which (non-)financial information is present. Similarly, the numbers pertaining to types of non-financial information express the number of slides in which each type is present. Consequently, the total number pertaining to the category “non-financial information” as displayed above horizontally is not the result of a simple addition of the displayed numbers pertaining to types of non-financial information. This explains apparent inconsistencies.

immediately to the content of the slides. For that reason it seems reasonable to look at the use of visual means of communication excluding the symbols. In that case, appellative means of communication, i. e. icons with representational format, display a ratio of one for every second informative means and are thus used to a far more modest degree overall.

Table 4: Analysis of visual means, overall results

	Informative visual means	Appellative visual means		
	<i>Icons, analytical format</i>	<i>Total</i>	<i>Icons, representational format</i>	<i>Symbols</i>
BASF	35 (88 %)	68 (170 %)	33 (83 %)	35 (88 %)
Covidien	39 (41 %)	141 (147 %)	40 (42 %)	101 (105 %)
Kroton	59 (107 %)	75 (136 %)	4 (7 %)	71 (129 %)
SingTel	4 (40 %)	6 (60 %)	4 (40 %)	2 (20 %)
TD	26 (74 %)	65 (186 %)	2 (6 %)	63 (180 %)
<b>Total</b>	<b>163 (69 %)</b>	<b>355 (150 %)</b>	<b>83 (35 %)</b>	<b>272 (115 %)</b>

A similar observation can be made when looking at the individual presentations. Here too, the symbols make up a significant part of the appellative means, in fact in some cases more than 95 % (Kroton [71 of 75] and TD [63 of 65]). Without the symbols, the individual presentations of BASF, Covidien and SingTel feature an almost equal number of appellative means on the one hand, and informative means on the other. The Kroton and TD presentations again differ as informative means are much more frequent in these presentations than appellative means. For every icon with representational format supporting the appellative communicative purpose can be found 15 and 13 icons with analytical format, respectively, supporting the informative communicative purpose.

The type of icon with representational format that is used most frequently overall is the photo. It is mainly used in the BASF and Covidien presentations (cf. table 5). In fact, almost 93 % of all photos, i. e. 64 of 69, are found in these presentations, making up 94 % and 83 %, respectively, of the total number of icons with representational format (31 of 33 and 33 of 40), and 46 % and 42 %, respectively, of the total number of visual elements, excluding symbols (i. e. 31 of 68 and 33 of 79). Finally, the type of icon with analytical format that is used most frequently is graphics, like a bar/column chart or a pie/doughnut chart, which overall is used more than twice as much as tables. In the individual presentations, graphics generally seem to be of great importance as well – compared with the total use of informative visual means. However, if compared with the total of visual means in the individual presentations, excluding symbols, the use of graphics is particularly characteristic of the Kroton and TD presentations in which they account for 76 % (48 of 63) and 61 % (17 of 28).

Table 5: Analysis of visual means; types of visual means

	Informative visual means			Appellative visual means		
	<i>Icons, analytical format</i>			<i>Icons, representational format</i>		<i>Symbols</i>
	<i>Tables</i>	<i>Graphics</i>	<i>Organizational charts</i>	<i>Photo</i>	<i>Stylized representations</i>	
BASF	10 (25 %)	25 (63 %)	0 (0 %)	31 (78 %)	2 (5 %)	35 (88 %)
Covidien	20 (21 %)	19 (20 %)	0 (0 %)	33 (34 %)	7 (7 %)	101 (105 %)
Kroton	10 (18 %)	48 (87 %)	1 (2 %)	1 (2 %)	3 (5 %)	71 (129 %)
SingTel	2 (20 %)	2 (20 %)	0 (0 %)	3 (30 %)	1 (10 %)	2 (20 %)
TD	9 (26 %)	17 (49 %)	0 (0 %)	1 (3 %)	1 (3 %)	63 (180 %)
<b>Total</b>	<b>51 (22 %)</b>	<b>111 (47 %)</b>	<b>1 (4 %)</b>	<b>69 (29 %)</b>	<b>14 (6 %)</b>	<b>272 (115 %)</b>

### 5 The discursive construction of the equity story

The main conclusion that can be drawn from the above analyses is the fact that the general characteristics of the equity story (cf. section 2) are all discursively constructed in the analyzed presentations. They all refer to the past, present and future, however primarily to the past. They include both financial and non-financial information, albeit primarily non-financial information overall. Finally, they all feature visual means of communication that support both the communicative purpose to give a true and a fair view of the state of the company’s affairs and the communicative purpose to provide a positive image of the company. In this way, the visual means of communication contribute to balancing between making a company’s share more attractive and remaining credible and trustworthy.

However, the analyses also revealed a relatively high degree of variation amongst the five individual presentations, which calls for defining three groups of presentations. The BASF and Covidien presentations form the first group. They both refer far more to the past and future than to the present; they both include slightly more non-financial information, especially on strategic issues, than financial; they both feature an almost equal number of informative and appellative means of visual communication, excluding symbols; and specifically they are both characterized by the use of photos. The second group comprised of the Kroton and TD presentations shares other similarities. They both refer to the present, less to the past and relatively little to the future; they both feature a far greater number informative means of visual communication, especially graphics, compared with appellative, excluding symbols; and finally they both differ from the BASF and Covidien presentations with respect to the inclusion of (non-) financial information, however they do so in different ways. Whereas the Kroton presentation, compared with the BASF and Covidien presentations, includes far more non-financial information than financial information, especially on market, industry and economic environment, the TD presentation includes slightly less non-financial information than financial. The final group is formed by the SingTel presentation, which refers primarily to the past and less to the future and present, and which features equally appellative and informative means of visual communication. In this sense, it shows some similarities with the BASF and Covidien presentations. On the other hand, non-financial information seems to a larger extent to be favoured

over financial information in a way that is similar to the Kroton presentation. However, as the SingTel presentation is relatively short, the significance of the results is limited.

The observed variation is seen as the second main characteristic of telling the equity story that can be drawn from the above analyses, as the variation seems to reflect other more general characteristics of the equity story used as a strategic IR management tool with the overall aim to contribute to achieving a fair valuation. Emphasizing the main selling points of the company as an investment case by displaying the value (creation) story, the equity story makes a case for investing in one company rather than another. In other words, like in any kind of strategic communication, a company needs to differentiate itself from other comparable companies within IR to make its share attractive. The equity story can thus also be seen as the competitive edge of IR. It was therefore to be expected that the struggle for differentiation would be reflected in the analyzed equity stories. The fact that the investment potential of a company is also valued against factors like global and national economy, sector, business, industry and size makes variation amongst the analyzed equity stories even more expected. In the following, this will be illustrated by means of the characteristics of the two main groups of presentations.

Firstly, both BASE, a worldwide chemical company, and Covidien, a global player in the field of development, manufacture and trade in healthcare products for use in clinical and home settings, seem to be concerned with products and services as the critical business element, as the focus of their equity stories is on future-related strategic issues, mainly research and development, accompanied by photos of products and product-related investments. Kroton, a group of private educational organizations operating in the primary, secondary and postsecondary education sector, mainly in Brazil, seems to be concerned with the sector in which it operates as its critical business issue. Here, the focus is on the present market situation, illustrated to a large extent by means of graphics. Finally, TD, a financial group offering banking and insurance services, primarily in Canada and the US, seems to be concerned with financial issues as its critical business issue, which may be explained by a focus on solvency and solidity within the financial sector in general. Its equity story is thus characterized by non-financial information on business aspects and financial information by means of graphics pointing to the present and the past.

To conclude, the discursive construction of the equity story features all the main characteristics of the equity story seen as an IR strategic management tool, while at the same time entailing creation of unique equity stories that enable companies to differentiate themselves from other comparable companies with the overall aim to make their share attractive to the investment community.

## 6 Concluding remarks

It has been the aim of this paper to contribute to the study of the equity story from a communication perspective by offering a first step towards developing characteristics of how the equity story, seen as an IR strategic management tool, is discursively constructed. An international small-scale study of the equity stories of five large cap companies awarded the 2012/2013 IR Magazine grand prix for best overall IR served as point of departure for a discourse analysis of an archived IR presentation of each of the above companies. The focus of the analysis was on three main characteristics of the equity story seen as an IR strategic management tool: the importance of both forward and backward looking parameters; the importance of both financial and non-financial information; and the two inherent, potentially conflicting communicative

purposes, firstly to give a true and a fair view of the state of the company's affairs, and secondly to provide a positive image of the company. In order to account for these characteristics, a method assemblage was applied, and an analysis of temporal reference, a topic analysis and an analysis of visual means of communication were conducted. The analyses revealed that the three characteristics of the equity story are all discursively constructed in the analyzed presentations. This observation constitutes the first main characteristic of the discursive construction of the equity story. However, they also revealed a relatively high degree of variation. This observation is seen as a second main characteristic, as it contributes to making the companies' equity stories unique.

Due to the limited scope of the present study, further studies should be conducted in order to gain further empirical insight into the equity story as an IR strategic management tool and, more importantly, into the discursive construction of the equity story. However, the study presented here does offer a) a theoretical framework and b) empirically based assumptions about the discursive construction of the equity story that might serve as a basis for future research projects and a knowledge base for practitioners. Finally, the study is likely to have implications for the teaching of IR and related fields, as it contributes to shedding light on the complexity of the equity story as an IR strategic management tool in particular and the complexity of IR communication in general.

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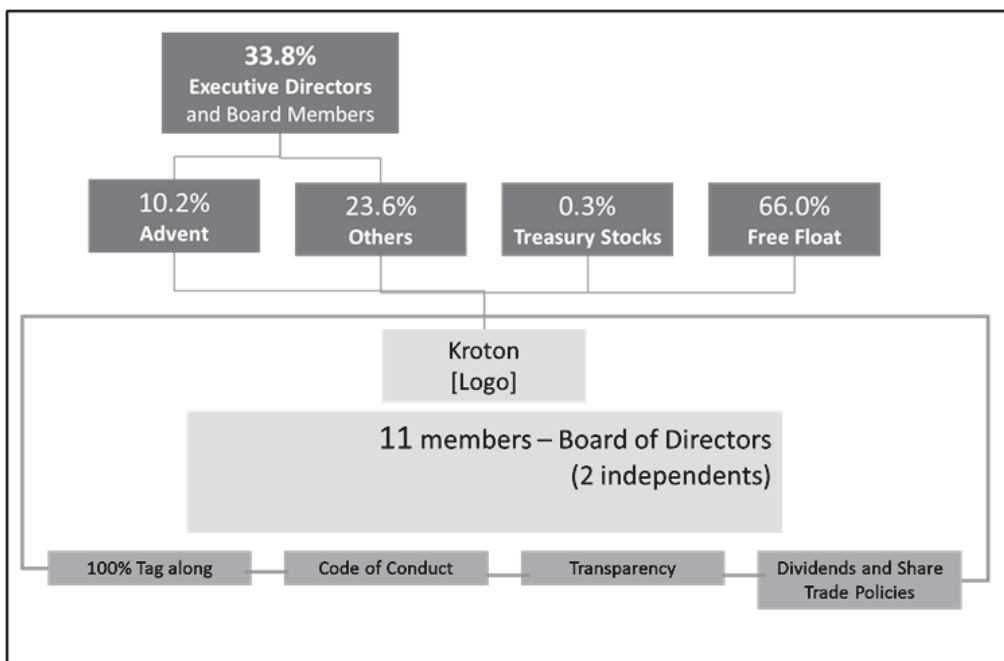
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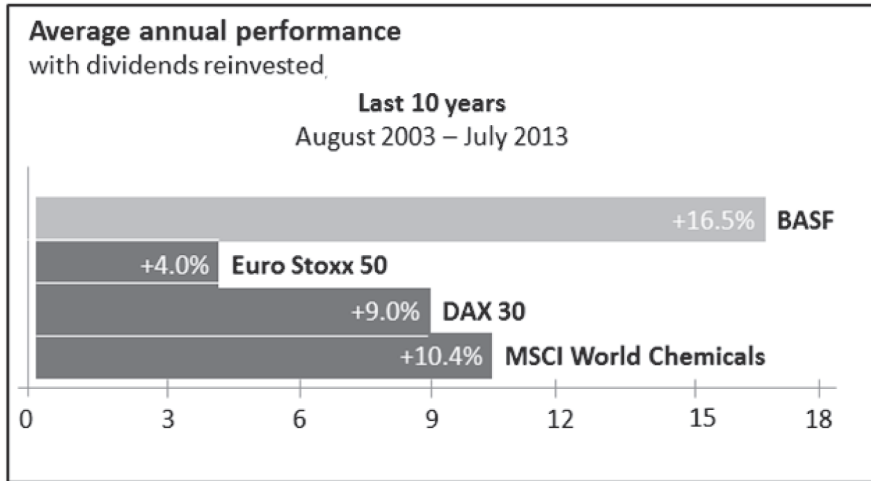
Appendix: Icons with analytical format; examples

Q3 2013 (C\$)	CAD P&C	U.S. P&C
Total Deposits	\$224B	\$193B
Total Loans	\$308B	\$106B
Rpt. Earnings	\$3.5B	\$1.5B
Adj. Earnings	\$3.6B	\$1.6
Customers	13MM	8MM
Employees	28,345	24,811

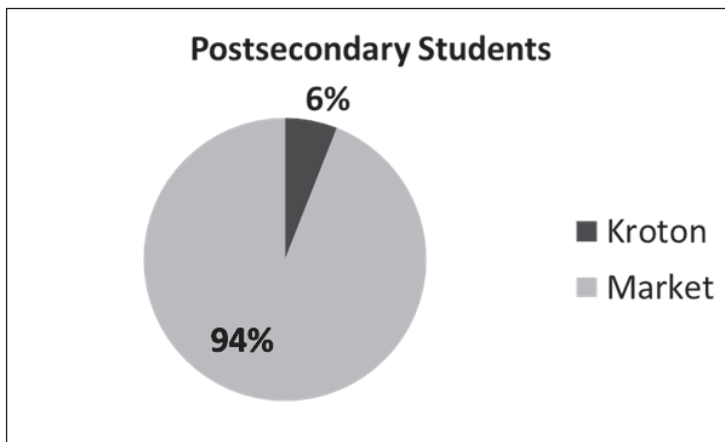
Example; table (cf. TD Bank, no. 3)



Example; organizational chart (cf. Kroton, no. 40)



Example; graphics – column (cf. BASF, no. 10)



Example; graphics – pie (cf. Kroton, no. 5)

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