How to manage and influence investor relations with PR and media in the current economy

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Investor relations is a subject which has been seriously taken into consideration by many companies and is an important matter nowadays. Considering that company’s survival depends on capital, managing investors the right way is management’s obligation to the company, and it’s stakeholders, in order to keep the business in continuous growth and profitability.

Public relations, on the other hand, is a subject of people. Consider that people and their relationships build businesses, this research will examine in-depth correlation between public relations and investor relations. Managing people and communicating with them is the big picture of the company’s activities, but what kind of layers are behind those activities is what this research tries to uncover.

Additionally, this research has a new approach towards media relations as media can be used as a channel to connect to people and spread information. Media is also an activity which falls under public relations. Media has a strong influence over people, and media can be used not just to create but also to manipulate and destroy.

The goal of this research is to provide in-depth information about how public relations and media can be used to manage and influence global audiences, including consumers and clients, and most importantly, investors. What happens when companies manipulate the public, what happens when companies tell the truth, how the stock market and investors react to the news, what companies can do to create a powerful brand quickly and how external factors influence investors’ decisions.

Many examples and scenarios are covered in this research to understand the power of public relations and media, and the influence that these two hold towards investors and the global economy.

Literature review methodology was applied to this research, including various literature review types. Also, an additional qualitative method was also used in this research by conducting several interviews and taking comments from industry experts.

This research is meant for business executives and marketing professionals to understand and learn about new possibilities when it comes to building a brand and gaining a certain level of power over audiences and global markets.

**Keywords**
- investor relations
- public relations
- media relations
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1. Introduction to thesis

Today, many people choose entrepreneurship over employment. Companies have become powerful entities in the world, like heroes and idols for some of us. Companies inspire people to create and innovate, and so new businesses get formed through significant innovations and creativity. Of course, these two factors are not enough to reach success.

Many wonder, what are the success metrics. How to get more sales? How to get more clients? A lot of questions and a lot of vague answers, leaving a lot of people concerned with what works and what doesn’t.

Many entrepreneurs and startups take examples from leading companies trying to follow the same path, but still, success doesn’t come like that because every path is custom and there is no fixed way to do things which apply to everyone.

Throughout the years, as an entrepreneur myself, I have worked with many companies, many succeeded and many failed. I tried to understand the correlation between success and failure, what things influence the company’s survival and growth, and what things make a company collapse. I discovered that there are a few things which are extremely important and based on those things, I decided to write my thesis.

I noticed that in the end, it comes down to the capital. If the company has enough money, it survives, and if not, it dies. The company needs capital for many reasons, and the most important ones are product development, marketing, and human resources.

It came to my notice, that fundamentals of the company’s success lie within its culture and team because decisions, in the end, are made by people. Business, whether its local or global, is truly about people. There is always a person on one side selling and always another person on the other side buying, and there is also a person in between who is investing. Having the right people in the company as stakeholders will only boost the company’s performance and bring the best results.

Constant capital within a company is must have, either through sales or investments as capital is the source of life for any business as well as for employees radically speaking. In this thesis, I explore the depths of the company’s fundamentals and how those fundamentals build on each other, in the end, leading companies to either success or failure. What things influence successful capital management are the ideas to look for behind this thesis. The answers are not as direct as some may think. I think that the right answers are always hidden in the weirdest corners of life.
Still, while capital is required and must have for business survival, it's not obtained easily. I also discovered that peoples’ interactions and perceptions have an influence on where the money goes. For example, investors always have options to choose from whether its company A or company B. So while capital is the heart of a business, understanding how to manage to drive that investor's capital to company A, in particular, is a special ingredient of this thesis. How to attract capital and maintain it within the company is when public relations is required to be connected with investor relations.

Again, business is about decisions. Customers choose between products, companies choose between vendors and suppliers, and investors choose between companies and their ROI rates. It's simple economics of choice, cost, and the thing which triggers the attraction - scarcity. Economics is about people, and there is no better communication strategy than a PR strategy to manage and influence peoples’ decision making.

Based on my experiences while working with companies and seeing how successful companies manage capital, I realized that it's not about one thing, and its never been about one thing. There can only be a set of selected things which, when put together, bring positive results, and I think that those set of elements are professional management of investor relations through public relations and media.

When working with companies, I noticed that PR and media, in particular, have vital parts in the company's growth, which directly affects its brand, the culture, and stakeholders. Yet, PR is a broad concept, and I did apply it in this thesis, but I focused more on the core strengths of PR, which is media relations. Based on how successful companies raise capital and manage their investors, has a lot to do with how their message is delivered to people, and so media serves as a channel to drive the message directly to consumers and investors which as a result often lead to changes in pricing.

As I mentioned earlier, it's never about one thing but a combination of a few selected things which then together make a positive result. My thesis topic is about how to manage and influence investor relations through public relations and media. Capital and information stand for IR - investor relations, peoples’ perspectives and relations stands for PR - public relations, and channel which distributes information and connects people to the information stands for media.

By connecting IR, PR, and media together, I wanted to explore and provide insights to professionals, executives and anyone interested in the business field to better understand how PR and media can help to build a company and it's brand, get more clients, get more investors, increase the stock price, manage and maintain investor relations, also kill competition and even manipulate markets in company's interest if needed.
1.1. Disposition of the thesis: Functional parts of the research

Table 1.1 provides information about the structure of this research and also acts as a quick map of the entire research.

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<thead>
<tr>
<th>Functional part of a research report</th>
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<tr>
<td>Theory background, characterization and rationale of the approach, extensive descriptions of the core entities and relationships between them, description of the research or development design</td>
<td>Section 2-5, and Appendix for the descriptions of core entities</td>
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<td>Description of the research method</td>
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Table 1.1.

See below brief references to sections covering functional parts of the research:

Description of the subject area, the core entities and the idea of scope and level of detail in it in a broader perspective are described in Section 1, in the introduction part. More information about the subject area, the core entities and the idea of the research is described in Section 5.1 under Research question and objective and Section 5.2 under Research mission. The approach of the work is described in Section 5.3 under Research methodology.

Theory background of the research falls under Section 2, Section 3 and Section 4. Additionally, the theoretical knowledge of the method falls under Section 5.3, Research methodology. Characterization and rationale of the approach fall under Section 5.2, Research mission and Section 5.3, Research methodology. Extensive descriptions of the core entities and relationships between them fall in the Appendix section, at the end of this research.

The development of research questions falls under Section 5.1, Research question and objective and development of research mission falls under Section 5.2, Research mission.
Description of the research and development method falls under Section 5.3, *Research methodology*.

Research data or description of the development effort falls between Section 3 and 4, as well as between Section 6 and 19. These sections include the full research data.

Reflections and disclosures are found in Section 20, *Conclusion and discussion*.

Sources and references are found at the end of the research after the Appendix.

The Appendix is found at the end of the research after Section 20, *Conclusion and discussion*.

### 1.2. New innovative technology solution

The thesis itself is not just pure research but research on the overall market and a problem within the media industry. To finalize this thesis, the end of this research shifts into a new technology solution proposal which acts as a better alternative for a media distribution channel.

Even if we know by general knowledge that media can influence peoples' buying and selling decisions, still in reality to get media attention is not as easy as one might think, and so companies are forced to look for new solutions all the time - how to reach out to their audience.

Especially for private companies reaching out to media can be a real struggle. If a company wants to grow, media support is necessary as it creates more trust and enables the company to reach more people (potential clients and investors). Current systems and technology solutions are limited (also described in this thesis), and so I created a new solution which serves private companies to reach out to media more efficiently while getting better results than using current providers.
2. The beginning: Purpose, freedom, choices and power

Why people do what they do? What is the purpose of life? These questions have endless answers, and it is inevitable that people have different answers to these questions based on their own individual perspectives and needs. One answer by Emerson makes perfect sense as he states that the purpose of life is not happiness but usefulness. (Foroux, 2016).

Many people say that happiness is the key and the goal, but actually, the happiness question often leads people to other subjects such as who we are, how can we achieve happiness and what things we have to do to feel fulfilled inside.

Emerson said that being useful, honorable, compassionate, and making a difference in life is what creates the fulfillment within. Real living is about being involved in things, doing something, having control of your own life, making decisions, and not regrets. (Foroux, 2016). Yet, to explore life fully, one must be free. Centuries ago, freedom was not an option for many people, and managing the purpose of their lives was not in their control. (Treder, 2009).

There are four freedoms including freedom of speech everywhere in the world, freedom of religion everywhere in the world, freedom from want everywhere in the world which is about economic understandings that secure safely every nation in the world, and freedom from fear anywhere in the world. (Treder, 2009).

As the world evolved into more knowledgable, diplomatic and advanced throughout the years, nowadays many people live in total freedom, but still not the society as a whole. The ones that live in a democracy, they have the luxury to think more in-depth about the purpose of life because they have some level of control of what they can do and how they can change their own future based on their own actions. What people tend to choose for a living is their personal choice, which eventually makes them feel happy or at least leads to happiness in the long run or not.

One choice throughout the entire human life since the stone age was leadership, which gave power and control to individuals. Leadership was not earned easily or quickly as various strategies, and all kinds of actions were needed to prove to others that one is worth to be a leader. During the years, leadership became inherited but still with ambition, knowledge, strength, and resources the inherited leadership could have been overtaken by somebody else.

These leadership overtakes usually lead people to war and violence, and it was because somebody decided to do so but to make such decision that someone must have a pur-
pose of life to lead, to win, to create or destroy, to overtake and build, or overtake and bring destruction. It doesn’t matter whether it was a bad or good intention, what matters is that those people had a purpose of life because without that purpose they would not have become those influential people to make decisions impacting millions of lives around the world.

Still, the most interesting part is not that they have the purpose of life or why they did whatever they decided to do but how they made it to the point where they became the command givers, warlords, kings and queens and emperors, and the CEOs of today’s world. The path they took and the decisions they made are interesting to everyone who seeks authority power to be in the top of the hierarchy of today’s society.

Everything ties up with people as people create, people decide, they build, they lose, they win, and they are in charge. People are in charge of a global economy. People make decisions of policies, laws, rules, everything that surrounds us is either created, influenced, built, sold, or engaged somehow with people. People are the key to everything, including winning and losing.

In the 21st century, corporations have the most power and control. Corporations are created by people and run by people. Corporations have power because they have capital. Already from the early stages of human existence, those who had something of value had the priority access and more than others. Same rules apply today, or the same rules apply to humans. When someone has something of value that someone has a better position than someone who has less of that value.
Corporations get capital from investors, clients, customers, or in other words, - people. Corporations get capital from other people. Even though we are all the same race still certain humans have more power over others, and so companies have more power over other companies, and at times they have more power than governments.

This research covers people relations and how different parties communicate with each other to achieve their goals. Since capital is the source of power, in today’s world, investor relations at corporations manage that capital. Still, because everything has to do with people, this research involves public relations and media, as public relations is about managing people and media is a tool to deliver information to people.

PR and media together can be a powerful combination to manage and influence other people, especially the ones who bring capital to the company and the economy.
3. Understanding the economics

To be able to predict future markets and understand the reasons behind the status of current markets is a knowledge which helps people to run the world. Understanding how certain factors affect specific country’s GDP growth and how international policies affect local and global trade is the reason why the study of economics is important because it provides us with knowledge and only knowledge can create an impact on peoples’ lives. (Pettinger, 2018).

For instance, when raw materials are running out, with the current study and data, people can predict the possible future outcome of what would it be like if our planet was running out of oil. Or when paying off salaries, how the money distribution should go, and how it affects local societies and also international relations. At what extent governments should interact with the nation’s economy and markets? Why people behave the way they behave? These and many more questions are extremely important and critical to know, and so economics provide the understanding and data with forecasts and different evaluation angles to manage the world. Without economics, the world would be a really messy place. (Pettinger, 2018).

3.1. Introduction to economics: Scarcity, choices and cost

Economics is about examining and investigating people’s choices. For instance, why people choose item X over Y, why people behave in specific ways at certain occasions, and what makes people take certain decisions over certain factors. (Rittenberg and Tregarthen, 2009, p. 10).

When people make a decision, it means that one option will be selected over the other and the reasons behind the decision usually involve scarcity, choice, and the cost. (Rittenberg and Tregarthen, 2009, p. 10).

For instance, the fear of being left out in rising stocks usually brings investors together for the bullish markets, and so while stocks are rising investors take into account the available options to choose from based on their individual costs. Considering that different investors have different amounts of capital to invest, one may be more comfortable with lower opportunity cost investment by selecting stocks YXZ and gaining for instance 10% of ROI, while other investors with more prominent resources available might put a 20x more substantial amount into stocks ABC aiming for 120% ROI.

The same goes for trends and regular consumer markets. When a famous brand releases a new fashion line, scarcity attracts people to the brand, and then while they are in the brand’s circle, people choose between various options based on the opportunity cost.
Scarcity, choice, and opportunity cost are considered to be the primary elements of economics. (Rittenberg and Tregarthen, 2009, pp. 12-13).

### 3.2. Macroeconomics vs microeconomics

Economics as a whole is a vast concept in overall, to understand better, economics is usually divided into two sections, macroeconomics and microeconomics, whereas microeconomics is about focusing on individual people decision making and companies, and macroeconomics is about focusing on the broader picture such as national employment rate, global warming, and public transport systems. (Rittenberg and Tregarthen, 2009, pp. 27-28).

For instance, in the US, between 1995 and 2007, the economy, in general, was intense due to rising housing prices. More and more consumers owned houses, and it made them feel wealthier, and so they spent more on average, which lead to a lot of cash flow within the economy, and this fuelled the growth. One of the reasons behind massive house purchasing was that the Federal Reserve had put short-term interest rates below the inflation rate. Additionally, mortgage loans were given to people who typically wouldn't qualify for loans, yet they could purchase a house. Mortgage loans created substantial financial opportunities for financial institutions, and as long as housing prices kept rising, all the players within the mortgage market profited. (Rittenberg and Tregarthen, 2009, p. 182).

The US housing bubble with many years of rising house prices is very similar to the bitcoin bubble, which burst last year in 2018. As long as prices kept going up, everybody bought everything, and when stock prices collapsed, all crypto investments were wiped out.

In 2008, after the financial crisis, the economy had dramatic change as the entire economy's output fell at an annual rate of 3.7% in the 3rd quarter and 8.9% in the 4th quarter. The US recession took almost two years from late 2007 till mid-2009. US output fell by more than 5%, and the unemployment rate hit 10% in October 2009. Still, by 2010 and 2011 many people felt that the recession was not over yet. By 2012, the US GDP increased just by 1.9% in the first quarter. (Rittenberg and Tregarthen, 2009, pp. 183-184).

By looking at a century economic growth chart of the US economy in figure 3.2.1, the financial crisis which took place in 2008 is clearly visible on the chart. (Rittenberg and Tregarthen, 2009, p. 323).

While macroeconomics analyze the bigger picture of the whole economy, microeconomics analyze individual people interaction with firms and the other way around. (Cooper and John, 2011, p. 12).
For instance, a customer buys a chicken meal at a fast food restaurant, KFC. Customer voluntarily gives 10 euros in exchange for the meal because the customer thinks that the meal is worth 10 euros and so he is ready to exchange. At the same time, KFC restaurant is exchanging meal for 10 euros as they benefit from the transaction as well in receiving euros with the profit. (Cooper and John, 2011, p. 9).

In this KFC transaction, there are other actions taking place, for instance, deciding on the drink, whether its Coca-Cola or something else. Additionally, considering that KFC has a lot of different food options, the customer selects the option which fits his taste and the budget. Also, as the restaurant provides a place to eat inside, including chairs and tables, this also affects the decision making of the customer whether to stay-in or take-away depending on circumstances that a particular customer is facing. All these small events at the KFC restaurant, including purchase process, purchase decision, and other operations are part of microeconomics examination. (Cooper and John, 2011, pp. 10-11).

3.3. Microeconomics: Changes in asset prices

Every day there are news reports on market performance being broadcasted worldwide, allowing investors to follow the latest insights. These reports often affect market prices going up and going down. (Cooper and John, 2011, pp. 421-422).
For many companies, profits come from innovative solutions when developing new products, and these products usually get advertised everywhere to create exposure and hype. (Cooper and John, 2011, p. 422).

For instance, the world's biggest drug company Pfizer, experienced a profound fall in share price instantly by 11% when an experimental drug to treat heart disease caused more deaths and heart problems than it helped. Before the collapse, company's CEO Jeffrey Kindler actually announced to investors and analysts that the product can seek for medicine approval, and yet 2 days after the announcement, another news hit the market when Pfizer announced that they were taking the drug out of the markets as patients who took the drug actually died faster and it caused more problems. (Cooper and John, 2011, p. 423).

First, the positive then the negative announcements caused stock volatility and changes in the stock price as uncertainty, and obviously, bad news hit investors hard. See how bad news about the firm's product can reduce stock's value in figure 3.3.1. (Cooper and John, 2011, p. 424).

![Figure 3.3.1, Price of Pfizer stock during the time of announcements. Source: Cooper and John, 2011, p. 424.](image-url)
When bad news hit the market, they directly influence demand and supply curves. Investors are not willing to pay as much as before for the stock due to recently released bad news. This leads to a decrease in the quantity of demand. At the same time, owners of the stock lose interest in holding their shares, and so this increases the amount of supply. In Pfizer's case, the bad news about clinical trial caused Pfizer's stockholders wanting to sell their shares and non-holders weren't even interested in considering buying them. (Cooper and John, 2011, pp. 423-424).

### 3.4. Macroeconomics: Influence of the media on economics

One of the significant economic indicators is the mood of the public or the society or the community. It matters a lot because according to the economic paper from the Federal Reserve Bank, mood can be affected by media coverage. In the US, 2/3 of all economic activity stands for consumer spending, and so consumers have a crucial role in the overall economy. (Dicus, 2004).

Since consumers are very important for the economy, their mood management is a priority, and as media has the influential power to impact consumers' decision making (Dicus, 2004), companies and government can take advantage of it for their own interest.

In the global economy, media is about accelerating and amplifying trends through coherent narratives that everybody can understand and follow (Frank, 2008).

For instance, when corporations take control and push their new products to the public through advertising channels, the primary aim is to sell and increase revenue and profits. Consumers' buying behavior affects not just corporations that sell but also other corporations and their employees as companies always buy various services from each other and hire more employees for product development and production, and account management and marketing. When there is money flowing into one company is it very likely that part of that money will go to another company and their employees, and from there part of the money will go to 3rd, 4th, and 5th company and so on. When consumers spend, then companies spend and so the economy in a way is based on spending, yet the main reason for buying is because of hype created by advertising and media.

Media has a significant impact on public opinion locally and globally. There is a strong link between the economy and the media and that link often tends to be the connection to capital and political power (Rutovic, 2016, pp. 233-234), and so with capital and political power, managing manipulation over average consumers' spending habits through media is kind of a backbone of survival for some economies in the world.
4. Organization, shareholders, stakeholders and the publics

Business organizations are the most powerful entities in the world. They control almost everything and has the power to affect every human life. Already throughout the centuries, the power of an organization, whether it was a king or an emperor, impacted every living being. (Phillips, 2003, p. 2).

Today business organizations are taking more prominent roles in the society as they participate and innovate in the development of socially essential industries such as healthcare and education (Phillips, 2003, p. 2). Yet, the power of the organization and its success is dependent on the organization’s constituencies, which are also referred to be as stakeholders. (Phillips, 2003, p. 4).

4.1. Shareholder theory vs stakeholder theory

Milton Friedman was an economist who influenced 20th century's corporate America. In the beginning, the idea of shareholder theory evolved into complete capitalism, where the sole responsibly of the organization was to maximize profits for its shareholders. Only later in 1984, when Friedman published a book named Stakeholder Theory about particular parties including as the stakeholders, raised better awareness of the entire organization's structure and its influential sides. (Smartsheet, 2019).

According to Friedman, the company's stakeholders include all possible independent parties which somehow interact, engage, influence, or has any interest to the company from little to a lot. These parties can consist of people from regular customers and employees to competitors, vendors, governments, institutions, and of course, the actual shareholders. (Smartsheet, 2019).

While shareholder theory is about maximizing shareholder returns and stakeholder theory is about balancing the financial returns between all of the stakeholders even if it minimizes the shareholder returns, both theories sometimes get misunderstood. (Smith, 2003).

For instance, even if the shareholder theory is about maximizing profits only for shareholders, the company is still obligated to do so within legal and non-deceptive means. Additionally, managers tend sometimes to provide with short-term profits at long-term expense when originally, managers are expected to be long-term oriented. Last but not least, some think that shareholder theory is against corporate responsibility, including giving funds to charitable events and projects, but in fact, corporations often do philanthropic acts with their available capital. (Smith, 2003).
On the other hand, stakeholder theory is misunderstood as well as it is claimed that the company’s primary focus is not profitability even though the ultimate goal of stakeholder’s theory is continued existence while balancing the interest of the stakeholders. (Smith, 2003).

4.2. Stakeholder linkages to the organization

Identifying stakeholders helps the company to understand and have a better view of all the parties involved in the company’s ecosystem. Grunig and Hunt divide stakeholders into four groups: enabling, functional, diffused, and normative stakeholders. (Lardbucket, 2012, p. 60). See figure 4.2.1.

Enabling stakeholders usually have control and authority over the company, such as the board of directors, elected officials, regulators, and stockholders. Functional stakeholders are involved in the company’s operations and divided between input and output, whereas input is labor work to create the product or services, and output is about receiving the product or services. Normative stakeholders are groups and parties which share the same interest with the organization, for instance, sharing similar values, goals, issues, and even competitors. Diffused stakeholders are publics of which involvement is based on the company’s action. These publics often come in time of crisis, and they include the media, communities, activists, and protesters. (Lardbucket, 2012, p. 60).
4.3. Publics positioning in stakeholder groups

According to Grunig, who is one of the key theorists in public relations, a stakeholder is someone or a party who has an interest in the company. Grunig states that publics tend to have a stronger interest in the company than actual shareholders. There are four different types of publics. The non-publics are parties which are not heavily affected by the company, the latent-public is a party which may have a certain interest in the company, the aware public has an interest in the company and also knows the company, and the active public is a party which can affect the company. (Grunig, 2005, p. 779).

Based on Grunig’s theory, there are three metrics explaining why certain people get involved in certain situations, see figure 4.3.1. These metrics include the level of involvement, which is measured by how people connect personally to specific situations when recognizing themselves and connecting to a certain problem, which leads to the second metric - problem recognition. Then people think about whether they can do something about the particular problem and that brings the third metric, which is constraint recognition. People who believe they can’t do anything about the issue have high constraint recognition and are less active in the problem resolution. There is also a referent criteria which is about applying previous experience in new situations, for instance, to prevent certain happenings. (Lardbucket, 2012, pp. 62-63).

In conclusion, active publics have the priority and more power in the company than other publics. To predict if certain stakeholder group can become a part of the active public, the company has to analyze if the problem could possibly involve other groups and if other groups can recognize the problem, and if they can then would they do anything to fix the problem. (Lardbucket, 2012, p. 63).
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5. Research question, mission and methodology

See the following to understand why this research is done, what purpose it serves, and how it was done.

5.1. Research question and objective

The primary research objective is to discover in detail how public relations and media can be taken as an advantage towards company’s interest especially when dealing with investors either for already listed companies, IPO or ICO companies or merely private companies looking for funding.

Nowadays, media is a very influential and powerful party which can impact on the global economy, wars, stock markets, employment, and other major subjects. Media is a part of public relations which on the bigger picture is about communications between the company and the public while primarily defending the company’s interest and its face.

In the current competitive markets, investor relations have an important role in the whole business ecosystem for startups, SMEs, and large corporations. Investor relations have developed throughout the years, and there are special requirements today that the company has to provide to investors to receive capital, support, and interest.

Since media has control over audiences and provides access to global reach, using various communication strategies and advertising methods companies can influence decision makers from regular consumers who buy products and services to institutional investors who buy stocks and bonds worth millions and billions.

Consider that up-keeping a positive company’s brand image towards consumers and clients is critical to keep positive revenue and cash flow. Without clients, there is no revenue, and without income, there are no investors. At the same time, while regular clients provide the cash flow, the company’s quarterly report of clients’ generated revenue and profits affect investor decision whether to buy a company’s stock or sell it. To upkeep positive investor relations, it is required to upkeep positive client relations and the overall brand.

Through the entire company’s structure, from the employees to clients and investors, there must be strategic communication in between. All company’s communications fall under corporate communications department which is also called as public relations, and so PR has a vital role not just internally but especially towards external communication between the company and the public including investors, the actual shareholders.
This research will develop a professional understanding of the media industry and how companies can use media in various ways for their own interest.

5.2. Research mission

The mission of the research is to provide strategical insights which are not only based on a single theme. This research analyzes the correlation between investor relations and public relations. In addition to that, since media relations fall under public relations, this research also investigates more in-depth the power of media and how it can be utilized towards decision makers.

At the end of the research, readers will be introduced to a new technology solution enabling companies a new way to access global media.

5.3. Research methodology

In order to professionally understand in-depth knowledge about investor relations, public relations, media, and how these three correlate with each other, this research is based on literature research methodology - a literature review. A literature review is about reviewing existing data and collecting it from various existing sources.

A literature review is specially selected for this type of research. Since investor relations, public relations and media are topics which have been covered many times over and over again throughout the years, it is clear that literature review is the best strategy for such type of data collection. A literature review also has a variety of different types. For this particular research, different literature review types were used. (Guides.lib.ua.edu, 2019).

Argumentative review used, to support the theory of a strong connection between IR, PR, and media, and to show advantages of PR and media towards IR management. Integrative review used, to show uncertainty on business survival without PR and media support, as well as current disadvantages in certain aspects of media and issues within PR and IR. Historical review used, to show that PR as a field of communications has been utilized since the early days of human existence until now (and still is), and that value of money has always been the source of power. Systematic review used to collect existing evidence to support the research question.

This literature review was done examining dozens of books, reports, other thesis works, and online materials.

To make this research more exciting and support the study with additional qualitative data, four brief interviews were conducted with PR industry experts. The interviews were conducted commonly over the phone. The findings were directly included in the research to
support the literature review. Interviewee names and titles are mentioned in this research in appropriate sections. Note that one interviewee name was not disclosed due to the individual’s privacy. Additionally, two opinion comments by PR agency executives were also added to this research. Their names and titles are included as well in the appropriate sections.
6. What is IR?

When a public company is losing its market share, and the Chief Executive Officer is resigning, we might assume that the company is pretty much doomed but not necessarily. Considering that stock price determines the public company's valuation, the stock price itself is dependent on many key factors and players. These factors and players include company information which is provided by the company, equity research analysts and their intelligence based on the company, company's information, and the industry. Then there is the media and their stories, and the stakeholders. All of these individual key factors and players influence the investors' decision making on buying and selling, see figure 6.1. (Ryan and Jacobs, 2005, p. xiii).

![Investor Relations](Image)

Figure 6.1, Investor relations.

It is the company’s responsibility to provide reasonable information to investors who directly influence company’s stock price, and the IR department is primarily responsible for managing the correct information flow between the company and investors. (Ryan and Jacobs, 2005, p. xiii).

However, information alone does not directly impact on the stock price. The interpretation and perception of that information are being looked at as well. (Ryan and Jacobs, 2005, p. xiv).
The Wall Street Journal reports daily on various companies' valuation changes, jumps, and falls of their stock prices. For instance, an internet company is up by 10 percent, but its shares fell in after-hours trading, technology company’s shares fell 10 percent - CFO quits. These are typical examples of counterintuitive market reactions, but the actual reason for stock price affection in these samples is the ability to manage investors’ expectations through consistent and clear IR strategy. (Ryan and Jacobs, 2005, p. xiv).

Investor relations department helps the company to design a strategy which presents the company’s story based on quantitative and qualitative information, industry competition, and the current company’s valuation. To be up to date with the recent information, IR department has to be close to Chief Executive Officer, Chief Finance Office, and the board of directors. Additionally, the investor relations department must provide advisory on various issues such as union relations, project management, and crisis management, as these issues affect shareholders’ value. (Ryan and Jacobs, 2005, p. xv).

In the capital markets, many people can influence a company’s positioning, including regulators and competitors. Any decision company makes, whether its financial, operational, or strategic will, at some point, affect stock price positively or negatively. (Ryan and Jacobs, 2005, p. 3).

Publicly traded companies are required to provide certain information to investors. This information includes various SEC documents such as annual reports, 10-K filings, proxy statements, quarterly 10-Q filings, and 8-Ks. Additionally, other company activities should be shared with investors. (Ryan and Jacobs, 2005, p. 4).

All of these communications are provided to investors via press releases, conference calls, presentations, and live broadcasts. IR department is responsible for distributing all of this critical information to investors. IR, in a way, takes care of financial communications. (Ryan and Jacobs, 2005, p. 5).

Investor relations department can improve up to 40 percent of a company’s valuation linked to factors outside of financial performance. For instance, similar size companies A and B in a related industry are growing earnings at 20 percent, yet company A trades at 10x multiple while company B gains 20x multiple. Company A has credibility issues understanding communications within the investment community. Company B, on the other hand, understands investment related communications and how to be credible in tough times. The difference between company A and company B is that company B utilizes IR communications while company A struggles in communicating with investors by not providing clear information. (Ryan and Jacobs, 2005, p. 10).
6.1. Why IR department is important?

A public company is not required to have an IR department as there is no legal require-
ment, but if a company doesn’t have investor relations function, then investors only rely on
the information which is provided by the media and the internet. This information is limited
and in times can be not accurate as well as harmful for the company. (Bragg, 2010, p. 1).
Allowing investors to rely on limited information solely is not healthy for the company’s
stock price.

One of the primary goals of the IR department is to reduce stock price volatility and man-
age existing investors. Consider that if current investors sold their shares, the stock price
would drop, resulting in increased stock price volatility. (Bragg, 2010, p. 3).

6.2. Global IR

When companies are expanding communications to foreign countries to attract capital, IR
becomes more crucial than ever because now companies have to communicate excep-
tionally carefully taking into account different cultures, currencies, international policies
and other important factors. (Ryan and Jacobs, 2005, p. 11).

6.3. Media involvement

Publicly traded companies experience a lot of judgment from various constituencies, but
the most powerful and the most influential is the media. The media has the right and abili-
ty to analyze in-depth publicly traded corporations as well as private companies and ex-
pose sensitive information to their audience. The media has the power to influence directly
on investor decision making and their investment choices as well as consumer behavior.
The media can bring a dramatic impact on a company’s business, either positively or neg-
atively. IR plays an essential role in delivering clear communications between the compa-
ny and the media. Consider that any mistake in numbers within the financial department
will directly affect IR’s message clarity to the media, which can raise a chance of public
scrutiny. (Ryan and Jacobs, 2005, p. 29).

Is it important for IR department to establish long-term relationships with reporters and
journalists at major publications who would be able to provide favorable coverage. It can
be difficult at times as big magazines such as Forbes intentionally release critical cover-
age. Some companies tend to not deal with media at all costs to avoid any negative pub-
licity, but at the same time keeping yourself hidden might raise questions for curious re-
porters. (Bragg, 2010, p. 64).

That’s why it is crucial for IR and PR departments to work together when it comes to effi-
cient media communications.
6.4. Managing PR and IR together

Managing media is managing public relations. Public relations is about selling a story angle to the media, which benefits the company positively. Just as the IR department should know about capital markets, the PR department should anticipate the media’s interpretation because once the story leaves the company, the company will no longer have the control over the story. That’s why it is imperative to make sure that the PR department understands the actual story as clearly as possible to be able to communicate it to the media the right way. (Ryan and Jacobs, 2005, p. 30).

Sometimes media can be annoying for companies, as media tends to dig deep to discover the company’s story in detail, which could lead to uncovering unwanted information and storyline. To avoid any miscommunications, it is crucial that PR and IR departments work together in creating the perfect story the right way, which primarily stands for the company’s interest. (Ryan and Jacobs, 2005, p. 30).

In the appearance of lousy news, whether its a lawsuit or failed patent application, investors will adjust the stock price not only based on the actual story but also following how the company handles the press. (Bragg, 2010, p. 11).

Regardless of whatever issues the company is facing either positive or negative, media is unavoidable, so professional communications must be steady at all times.
7. **Business survival and growth is about convincing**

Through the entire company’s structure from internal affairs including human resources, product development, business, and sales processes to external affairs including client and investor relations, there is one thing in common gluing all business particles together which is the power of convincing. (Pink, 2013, pp. 16-23).

Convincing starts from the very beginning of company’s existence when founders convince early employees to join, then convince them to perform well to get the product or service developed, then convince clients to buy it, and later convince investors to invest in the business to grow it. (Pink, 2013, pp. 26-37).

Each day, millions of people are trying to convince and persuade each other for positive decision making, often leading to purchasing. This process is actually sales. (Pink, 2013, p. 16).

Companies create brands to differentiate by delivering unique brand experiences. However to successfully do that the people behind the brand have to behave uniquely as brand’s strategy has to be wholly adopted by the company from the executive level to the lower employee level including the investment base as well. (Vincent, 2012, pp. 142-149).

Convincing is a fundamental which companies use from the start but in the long term convincing shifts into a specific company’s perspective which then is delivered globally through media as media becomes the primary source that perspective’s distribution.

This section covers how convincing is being practiced internally in companies and how companies use convincing to grow business to the level where billions of dollars of investors’ capital are on the verge of getting multiplied or getting lost due to the result of media coverage which is the powerhouse of convincing.

7.1. **Convincing the team to execute**

In the modern market where competition is fierce and robust business performance counts more than ever, a company’s success lies in the hands of people. Company’s heart and vanes are the employees who do the job. To keep the best performance and stay ahead of the competition, companies must focus internally on the team, their wellbeing, and overall satisfaction. It is vital to keep employees motivated so the business could strive. (Luomanpää, 2012, p. 16).

People are different, having different needs, and so they deserve to be treated individually. Companies have to recognize these different needs and treat them all alike. There are
no laws, rules or standards on how to motivate your team to perform at maximum capacity but there are reflective elements which show understanding, compassion, and respect which fulfill people enough, enabling them to perform better. These elements include giving employees challenging goals and consistent feedback, allowing employees to participate in decision making, adding a reward to performance, acknowledging the work they do, supporting them in time of need, encouraging their personal growth, and importantly complimenting them in public but correcting in private. (Stack, 2013).

This way, the company can prove to people that it’s an excellent place to work. A company has to convince people to believe in it, not just in a product or service but in the whole company’s culture and ecosystem. By giving good enough reasons for people to be a part of the company, only then employees can unlock their maximum potential, which directly affects the company’s performance.

7.2. **Convincing clients to purchase**

To be able to sell at the best performance, company staff must be well motivated to convince clients to use X company solutions specially designed to solve Y client problems. (Soorjoo, 2012).

When it comes to sales alone, it's a job which requires positive thinking and believing, for a fact there are certain analytical aspects to it as well, but statistically sales professionals perform better when they are motivated and energized. Additionally, they personally believe in the product or service they sell as their job is to convince the client to buy. (Allen, 2005, pp. 7-15).

Sales can be a difficult job leading to depression and despair, but the success factors, whether if a salesperson going to deliver or not really depends on the person himself. (Morgan, 1998, p. 2).

To dominate in selling, the company must have an influential internal culture for its employees, which empowers them through recognition systems, innovation, entrepreneurial spirit, and most importantly, the teamwork. (Zoltners, 2019, pp. 171-172).

It all comes down to the company's environment and how employees are treated as toxic environment make projects fail, and people quit. (Vishnepolsky, 2019).

Nowadays, due to competition, to win a client, the product or service which the company offers is not the deal closer element. Just as the company itself has to show people that it’s a great place to work at, the salesperson has to convince the client that he is a great partner to work with.
A company must provide excellent client service in the first place with a dedicated account manager to answer client needs and help with its requirements at any time. (Solomon, 2016, pp. xviii-xix).

A client must be aware that the company can provide special client services with respect, value-add, professional communication, energy, and efficiency. (O'Sullivan, 2010, p. 35).

The best client convincing strategies include giving clients what they want and need when they want it based on their priorities at their price with all the benefits and expectations. (O'Sullivan, 2010, p. 36).

The basics of successful enterprise management is mainly a continuous commitment to client relations management and customer service. (Clair, 1994, p. 8).

After all, companies are genuinely alive because of the profits which come from the clients, so clients must be genuinely satisfied for the long run.

7.3. Convincing investors to invest

While employees want to be appreciated, valued, and respected, and clients want excellent customer service at a reasonable price, the investors want reliable information. (Bloomberg and Schapiro, 2014).

Financial data is important and must to provide, yet it can represent an incomplete picture of the company. Consider that two-thirds of global investors take into consideration non-financial data such as talent recruitment and retention, and external constraints on natural resources, before making investment decisions. (Bloomberg and Schapiro, 2014).

Financial data is delivered to investors through various communications tools by the IR department. These tools include an annual report to show company’s results, a yearly meeting with stakeholders to vote for a board of directors, a proxy solicitation in which investors are asked to vote for candidates for the board of directors. Additionally, there are other tools used as well to deliver the information to investors such as press release, web site, fact sheet, reports, speech transcripts, and an advertising campaign. (Bragg, 2010, pp. 4-5).

However, taking into account climate change, for instance, when company A and company B are both valued at $1billion. One of them owns real estate that is in a coastal flood plain, and the other does not. Such information for the investor is critical to know, and yet it is not disclosed in financial statements. (Bloomberg and Schapiro, 2014).
To win investors trust for the long-term, in the current competitive market, the company requires to give out more, even if it means to provide non-financial data in this case. In the process, it will only make the economy more resilient and protective against costly risks. (Bloomberg and Schapiro, 2014).

In overall, investors want to see a lot of data and understand it easily and quickly. A company able to provide that, shows professionalism in IR communications (PwC, 2014, pp. 4-5). This is often where companies struggle to provide clear information, and so they use other ways of convincing - advertising. (Bragg, 2010, pp. 67-68).

Consider that nowadays, investors also look at the corporation’s brand equity where marketing accounts for 50% of it. (Neff, 2006).

Brand equity is linked to the brand’s name and symbol, and it has a value that can be measured. Investors’ perception of the firm’s valuation and it’s stock price include tangible and intangible assets as well as current and future earnings. While physical assets include properties, inventory, etc., the intangible assets include patents, trademarks, and brand equity. Since brand equity is a number which can be put on paper, it directly adds value to the overall company’s worth, and it’s stock price. (Kirk, Ray and Wilson, 2012, pp. 489-491).

Some companies use advertising intentionally to attract investors to pump the stock price for a reason. (Lou, 2019, p. 28).

7.4. Branding is a process of getting people into your circle

In 2003, McDonald’s was in decline as it had a lot of new chains opening up and yet there weren’t many customers. The following year, the company changed its branding strategy from selling to the customer to provide what customer wants, and not just providing food but the whole brand’s experience. This had led the company to successful new tag line development - “I’m lovin’ it.” (Bull, 2013, pp. 7-8).

People see brands as a set of associations, perceptions, and expectations in their minds. These associations are created through experiences that people encounter with a brand. It can simply be as the way how the brand presents itself on TV through commercials or how it serves customers physically. A combination of all the encounters and thoughts of a brand creates that perception and certain expectations, which then can either attract more customers valuing the brand higher or lose customers and kill the brand. (Batey, 2008, pp. 4-7).
Branding brings us to the very beginning of the fundamentals of convincing.

Disney didn’t simply succeed in building its brand just by branding a product but by branding a meaning. For instance, Hallmark sells greeting cards but its more than that. Hallmark is about giving and receiving love - that's their meaning. (Batey, 2008, p. 11).

When it comes to evaluating a certain meaning, it requires a decision. Whatever decision humans do that decision is based on their personal state, which is influenced by various factors such as human need, emotion, social values, and self-definition. Humans then make decisions based on how a particular perspective fits into their personal state. (Batey, 2008, pp. 12-47).

In other words, if people are convinced - they will work for you, they will perform for you, they will sell for you, and they will invest in you.

Brand meaning consists of two things. How a brand is being looked at by the public at a conscious level and how a brand fits itself within the public at a semi-subconscious level. (Batey, 2008, p. 112).

According to the neuro-psychological context of brand meaning, people’s attitude and choices towards brands split into two sections. One about practicality such as brand’s benefits, the value of money, and availability leaning towards more of a rational decision making. The other one about symbolic meaning concerning one's lifestyle, identity, order, and structure of life leaning towards emotional decision making. (Batey, 2008, pp. 112-113).

From the very beginning, new products are not branded but labeled. The original brand’s meaning starts only after customers get acquainted with the product, share their experiences, and tell their friends about it. The brand meaning is an evolution which takes time. (Batey, 2008, p. 189).

Advertising plays an important role to generate the meaning for the brand. By advertising the brand to consumers and seeing their engagement, reaction, and feedback, the company can then relate the issues to the product and even make necessary improvements to make it better. Through various advertising campaigns and lots of consumer involvement, brand meaning can be formed. (Batey, 2008, pp. 209-213).

Advertising, on the other hand, is not the only way of spreading the message to the public as other communication tools and channels are also considered to be effective and widely used by corporations to convince prospects into brand’s evangelism. These tools and channels include web sites, promotions, sponsorships, direct mail, call centers, company
reps, stories, uniforms, packages, product design, publicity, and word of mouth. (McEwen, 2005, p. 34).

7.5. **Power and control enables manipulations**

Power is the most fundamental element in society. Values and institutions define power, and what is valued and institutionalized is defined by power relationships. Power is when a social actor influences other social actor or actors in a way that favors the empowered actor’s interest. (Castells, 2013, p. 10).

There are three sources of power - violence, money, and trust. Violence is for contrary purposes, money is for giving and taking, but the most important is the knowledge and thoughts as together they give rise to trust, which can move mountains. (Castells, 2013, p. 16).

As covered earlier in this section, if people are convinced and they are on your side, their performance will reach the highest capacity enabling to achieve the maximum result.

Throughout the history, three powers have not changed, but there is a change in how the terrain of power relationships operates locally and globally which is the exclusion from the network whereas each network has a specific power relationship. This enables people and corporations to switch between networks. However, to be able to switch networks, one is required the ability to provide exchange value which in our world is a form of money. This means that whoever has more money, including politicians, has a higher chance of switching networks in a way that is favorable to that individual. (Castells, 2013, pp. 50-52).

In the capitalist economy, a service type of exchange can also be done between networks. For instance, regulatory power in exchange for political support from private businesses, or using media access for political interest. Switching power depends on what type of value other party is looking to generate. (Castells, 2013, p. 53).

In politics, media is often used for propaganda purposes, which is about distributing fabricated information to hide facts and confuse the audience from the real information which advances government interests. Depending on the social and legal environment, government control over communication networks may vary, but yet in the United States, Russia and China government has interfered with the media communications on several issues. (Castells, 2013, pp. 264-286).
For instance, in 1845, there were 245 newspapers in France secretly financed by the Ministry of Finance to manipulate trade in stocks for the benefit of the Minister’s acquaintances. (Castells, 2013, p. 242).

In modern markets, fake news infiltrates the stock markets. Since online media has become a massive information provider, it’s been challenging to distinguish meaningful information from irrelevant, considering that the modern changes in the journalism have brought changes to financial markets as well. While information is distributed quickly across the world and is easy to access, at the same time this raises legitimate concerns as pretty much anybody in the world can release information these days. To distinguish the correct information from false has become a challenge. (Kumar, 2018).

A company called ImmunoCellular Therapeutics had paid an author to publish an article on a reputable stock market insight media web site. The article suggested that the company is working on cancer treatment solutions and so the company’s stock skyrocketed by 263% from $42.8 to $155.2. Investors didn’t know that the company had paid the author to publish positive hype story based on no facts. Yet, when a clinical update came out with real information, the stock price fell to $2.23. (Flood, 2017).

These are so-called online pump and dump schemes when traders inflate the stock price through misleading statements published on influential media channels. (Flood, 2017).

The automatic trading algorithms today take into consideration also published media news which is widespread across the internet. Since online media allows anybody to post content, so-called bloggers often publish viral articles for companies regardless of content, whether it’s true or false. This creates a lot of irrelevant and in a way, fraudulent data circulating online, and so algorithms also make mistakes. (Rapoza, 2017).

For instance, when AP tweeted about a fake accident in which President Barack Obama was injured, $130 billion were wiped out within a matter of minutes from the stock market. (Rapoza, 2017).

A company named Galena Biopharma rose its stock price by 925% when Bjorlin Lindigo Holdings helped to publish dozens of articles about the company in the reputable media web sites. (Merle, 2019).

Raising stock price intentionally through media without real facts is not natural, and so, in the end, investors will get hurt, and so will the company.

Professional investors understand the media manipulation and can avoid it at times when only using professional media sources such as Bloomberg, Financial Times, WSJ, and
others (Rapoza, 2017). However, as long as people are people, the power of money can infiltrate false information even into Bloomberg, Forbes and New York Times - in the crypto industry which reached almost one trillion US dollars in 2018 through the boost of fake news and aggressive media buying. (Biggs, 2018).

In the global digital age, global media business networks including government-owned media are taking advantage of liberalization by integrating their networks, channels, and platforms of communication into their multilayers corporations, while having access power to the networks of capital and politics enabling them to have enough power to influence the overall economy. (Castells, 2013, pp. 135-136).
8. When public relations is about value and influence

Since the 1980s, when regulated and liberalized western economies released the money to move around the globe, financial markets growth has been accelerated. Companies turned to the financial industry providing various financial services including mergers and acquisitions, bond and share issuing, and investments. (Tench and Yeomans, 2014, p. 384).

In a fast-growing economy, public relations took an important role as companies used PR to differentiate from the competition. PR was used to create stories and narratives benefitting financial companies to influence investors’ crucial finance-related decision making. (Tench and Yeomans, 2014, p. 384).

PR, also referred to as corporate communications take an essential role in the overall company’s strategy. Without communication there is no business as communication is as important for internal business process development as it is for external affair management such as investor relations. (Roper and Fill, 2012, pp. 211-213).

This section briefly covers the importance of corporate communications as CC is about providing information to investors why they should invest in a company.

8.1. Shareholders’ value

Managing investor relations is about managing the shareholders’ value. The value is formed when clear communication is delivered to all of the parties which influence stock price, including sell-side and buy-side analysts, stockbrokers, the media, employees, clients, partners, and suppliers. (Caywood, 2012, pp. 174-175).

Shareholders and portfolio managers at large investment firms make buy and sell decisions. The goal is one - to make money. However, to make the best decisions, investors need information as most investors do in-depth research about a company before buying or selling. Being able to provide that information is a function handling investor relations while communicating to the investment community through public relations. Investment community includes third-party players from media to investment institutions. Now, what kind of information and in what way is the information provided will determine the buying and selling decision making of relevant parties. PR holds a significant role to communicate with all the parties in the most sophisticated, professional, and neutral way possible in the company’s interest only. (Caywood, 2012, pp. 173-177).

For instance, if a company is not able to provide financial information by the end of the quarter for whatever reason, it is likely that share price will fall reducing earnings per
share. This issue raises concerns for a company facing a severe value drop. A PR department can save the company by opting for prerelease of earnings instead of releasing uncertain information which they have not yet gathered. This protects the company and gives the financial community confidence regardless of the bad news to be released later on. Additionally, investors may see a buying opportunity for the long-term if they believe in the story. (Caywood, 2012, pp. 183-184).

8.2. Mergers and acquisitions

The objective of mergers and acquisition is to increase market share, acquire new geographical presence, and get new intangible assets (Khatri, 2017).

Companies also look at M&A opportunities when they lack the drive of organic growth and don't feel confident in their own business units, and so they think that buying another company which has those parts in place could solve their issues. (Caywood, 2012, p. 187).

In M&A, public relations plays a vital role between the buying and the selling parties. Depending on the type of M&A deal whether its a friendly or offensive overtake, a certain communication strategy should be used, which then in a professional and clear manner should be also delivered to media. When delivering the information, the PR department has to be very precise on individual wordings because in M&A every detail matters and these details can drastically influence on the overall deal price and the stock price before and after the deal is done. (Caywood, 2012, pp. 188-197).

In 2008, when prices of potash, phosphate, and nitrogen plummeted, fertilizer companies market capitalization went down heavily. The stock price of the world's largest fertilizer company, PotashCorp, dropped from $241 to $67 by the end of 2008. This made the company be a cheap target for an acquisition. A global mining company BHP offered a bid to acquire PotashCorp, but since the price was too low PotashCorp didn't give in easy and fought. (Caywood, 2012, p. 188).

BHP made an unsolicited bid which was unannounced publicly, and so PotashCorp did a public announcement, announcing BHP's unsolicited bid of $39 billion. This event, made public to reevaluate PotashCorp overall valuation and consequently, the board of directors rejected the acquisition offer. This led to the company's stock price increase by 28% that day. (Caywood, 2012, p. 188).

In case of a successful merger, it is also essential to keep communications up even if the deal is closed. Deals can fail, and the company's stock can fall even in the middle of a merger when employees start to go to competitors and top executive staff quits.
should be a certain period reserved to reach out to the company's stakeholders and other parties to inform about the merger with the latest information while bringing the reality to their expectations. Communication must be in place at all times as well with the employees internally through the company's newsletters, intranet sites, video calls, and actual meetings. (Caywood, 2012, p. 197).

8.3. Restoring trust for banks through philanthropy

After the financial crisis in 2008, unemployment doubled from 2007 to 2009 in the US. The Dow Jones Industrial Average fell from 14,000 to 7,000 just 16 months later after the economic crash. Around 8 million people lost their jobs, savings, businesses, and their homes. Major financial institutions such as Merrill Lynch, Lehman Brothers, AIG, Washington Mutual, either failed, were acquired or were bailed out because they were considered too big and too important to fail, just like General Motors and Chrysler was bailed out by the US government. (Caywood, 2012, p. 646).

In March 2011, only 44% of Americans were confident in the banking industry while back in 2008 before the meltdown, 68% expressed confidence in the industry. In 2009 Gallup poll, only 19% of Americans showed confidence in the integrity of bankers while back in 2005, 41% expressed confidence in the bankers. (Caywood, 2012, p. 651).

The Edelman survey finds that financial services are the least trusted sector globally, and banks are second-least trusted, while in the US, trust in banks collapsed. According to the CEO Richard Edelman, a company must deliver a collaborative approach that benefits not only the shareholders but the society, and the company should be transparent how it makes money and provide clear communication through all forms of media. (Caywood, 2012, p. 651).

Building trust is under the job description of public relations. For instance, a philanthropic act is not considered as marketing or sponsored activity. It is more likely done out of generosity and support, yet it builds a sharp public image for the company. (Caywood, 2012, p. 652).

Philanthropy is considered as a charitable action which serves the company’s face well in public. Philanthropic strategy can help banks to build back their positive identity with each of their stakeholders, including employees, the people, stockholders, and government. For banks, strategic philanthropy can create favorable reputation associated with the right cause through supportive actions. For example, by supporting communities, banks can attract and retain employees, establish relationships with new customers, and engage positively with political leaders. (Caywood, 2012, p. 652).
8.4. **Communication challenges in oil and natural gas industry**

In 2009, the world produced approximately 84.4 million barrels of petroleum products per day. The US alone produced 9.1 million barrels per day but consumed 18.8 million barrels per day. Petroleum products are the most valuable resources that sustain the economy and standard of living. (Caywood, 2012, p. 675).

As oil and natural gas industry are one of the most significant and essential industries in the world, there are a lot of responsibilities that apply for communicators, and stock price PR influence is not even the hardest part as lives can be at stake. It is very usual that a refinery would have just one communicator in position on the spot. In case of an explosion in the refinery and missing employees, all of the communication management falls under a single person and yet the communicator must be in touch with the corporation, the media, and local authorities. (Caywood, 2012, pp. 683-684).

Interesting fact: oil is formed from the remains of animals that lived millions of years ago before the dinosaurs. (Caywood, 2012, p. 676).

8.5. **Connecting to investors in retail market**

In the retail market, ordinary people become investors when private companies and banks use PR narratives to sell new homes, save for education, save for a dream holiday, save for retirement. Banks use PR influence to promote their services such as personal loan, mortgage loan, credit cards, and other sophisticated long-term investment opportunities. (Tench and Yeomans, 2014, pp. 387-388).

As a matter of fact, all advertisements and campaigns by banks and other financial institutions in the retail market are done through public relations.

For example, in India, Akshaya Tritiya festival is a special day when buying precious metals and making personal investments is considered an auspicious and very good day. Knowing the cultural realities, through public relations companies can target audiences boosting sales and profits tremendously. (Tench and Yeomans, 2014, p. 388).

8.6. **Sponsorship is under public relations umbrella**

Everything that involves people can be used as a channel to communicate the brand’s message. Considering that millions of people usually watch sports, companies look at the sports industry as a massive communication platform to reach their target audience. (Tench and Yeomans, 2014, p. 337).
For instance, Thomas Cook Sport maximized sponsorship opportunities and increase sales of 30%, received 85 national media coverages, increased strong fan engagement and web traffic by 65%, as well as social media followers base. (Tench and Yeomans, 2014, p. 338).
9. Media as a global communication channel of influence

In corporations, media relations can be seen as the central part of investor relationship management. Since reporters, editors, producers, broadcasts, online channels, and publications are trusted by stakeholder groups; it enables media to have the power of authority and influence on decision makers. (Tench and Yeomans, 2014, p. 236).

Today media can be used to expose companies making them crumble, and yet it can be used to make them shine once again. Whenever a company has a lawsuit going, negative news through mass media can cause severe damage to a company’s reputation, and it can be extremely costly to fix that reputation like in a Nike’s case. (Caywood, 2012, pp. 57-59).

For instance, due to the financial crisis in September 2008, India’s leading bank ICICI was plagued with rumors about the bank’s financial stability. People panicked and started to withdraw the money from the bank. It would have been a disaster for a bank if not with the help of media and political support to ensure people that the bank was financially stable and confident. (Kaul and Desai, 2014, p. 185).

9.1. A glimpse in the history of online news

Since the internet hype in the early 1990s, traditional newspapers and magazines became early adopters of online news, and so online journalism started right then. Time publication company was one of the early adopters to begin delivering electronic news by the end of 1994. (Allan, 2006, pp. 13-15).

The online media created new ways for journalists to express themselves, their thoughts, ideas, and research through blogging. Blogging revolutionized the online media industry, enabling people to be heard worldwide. (Allan, 2006, pp. 73-75). Today corporations use bloggers to send their brand’s message to their target audience.

Later in the early 2000s, emerged web sites like TMZ.com about celebrities, Google News aggregator and Huffington Post made it easy for people to access news anywhere, anytime. Additionally, social media sites such as Facebook and Twitter enabled fast and free news circulation. Many professional journalists lost their jobs, and newspapers were closing as the internet struck traditional journalism industry, and changes were inevitable. (Allan, 2006, pp. 38-40).

Since then, individual people became a news source which other people were able to follow, and so with time, people became popular in their own communities. Corporations nowadays go really niche on this and buy voices of these popular people to spread their brand’s message forward to their target audience.

9.2. Using media as a core activity for spreading a global message

When creating a powerful brand, most brand managers consider advertising campaigns as gateways to the brand’s success. Communicating the advertising message the right way is the most essential and critical part of the whole ad’s campaign process, and so media plays a key role in it. (Kelley, Jugenheimer and Sheehan, 2012, pp. 3-4).

Mass media is often used as a channel to spread news like a wild forest fire (Tench and Yeomans, 2014, p. 334). Mass media is a business platform meant for companies to run massive advertisement campaigns (Ahqr.gov, 2018). While it can look easy to run international ad campaigns, however, it is important to keep caution when dealing with mass media as it is good at spreading information, yet very bad at stopping it (Jack, 2018).

In the traditional media segment, television is still one of the best brand building ROI channels available. The TV has the most long-lasting impact measured on brand and sales. Previous studies have shown that TV can drive sales over three years after the campaign. (Chapman, Fanno and Macdonald, 2019).

Note that figure 9.2.1 demonstrates TV’s strong performance relative to most of the media channels.

![Figure 9.2.1, Television performance statistics. Source: Chapman, Fanno and Macdonald, 2019.](image-url)
The TV has the power to impact on brand awareness and actual consumer buying behavior. (Chapman, Fanno and Macdonald, 2019).

Since the internet came along, the speed and global access to online communications has increased significantly. Companies are now focusing on settings like SEO from the very beginning of the company’s existence, enabling them to spread information globally from day one when they start doing business. (Lloyd and Toogood, 2019, pp. 101-102).

One of the most popular global communication channels is social media. Social media enables companies to be engaged with their customers, employees, partners, and other parties globally and yet giving the feeling of being close to each other. (Canady, 2017).

In 2013, JP Morgan used a Twitter hashtag exercise to encourage people to engage with the bank, and so it did work on an international level, and the bank did receive a lot of interactions including a lot of negative ones. (Lloyd and Toogood, 2019, pp. 102-103).

Media is absolutely critical to the brand’s success as poor media choices can waste an entire campaign, while proper and efficient executed media plan can ensure success. (Kelley, Jugenheimer and Sheehan, 2012, p. 6).

9.3. Bringing the right message to the right audience through detailed targeting

Media has evolved during the last decades from traditional mainstream to internet, and so advertising campaigns for brands are also being developed. However, in general, media evolution has opened more opportunities for advertisers. Advertisers today can target audience everywhere, including shopping malls through digital screens, to households via television commercials, to the internet and mobile audiences via search engines, blogs, and other various online web sites. (Kelley, Jugenheimer and Sheehan, 2012, pp. 7-8).

Media enables advertisers to deliver the brand’s message precisely to the right audience (Kelley, Jugenheimer and Sheehan, 2012, p. 5). There are different types of media, such as broadcast media, print media, out-of-home media, digital media, in-store media, and ethnic media. All of these types of media enable advertisers to access the target audience pretty much anywhere geographically, online, and offline at any time. (Allan, 2006, pp. 127-189).

To communicate the brand’s message globally, multiple communication channels should be used not just to reach but also to interact with and educate the audience. Mass media in print and digital format can be used to start the foundational of the brand. Engaging to consumers directly through electronic tools such as email and telephone enables a more
targeted approach to particular demographics. Offering a solution on a company's website which traffic is driven through global social media campaign can then create a potential lead base which could be turned to loyal customers through customer service and brand's overall experience (Kunigis, 2019).

Advertising and PR serve the same goal to distribute the brand's message. The only difference is that advertising is paid and you can usually see it as it is labeled as paid or sponsored but in PR its more about persuasion through third parties, which in context does not have advertorial labels making brand's message appear as unique content. (Tench and Yeomans, 2014, p. 237). This particular so-called hack or a method enables companies to target specific audiences in very niche sectors.

Although advertising is one of the key components of spreading the brand's awareness like in SN Brussels Airline's case (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 74), Redbull, for instance, did a mix of marketing communications including a rumors marketing, outdoor marketing, sponsorships and television ads. Using multiple communication tools increases brand's equity much more than using just a single communication tool. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 75).

9.4. Traditional media, hybrid media, owned media and social media

Modern media environment consists of four elements such as traditional media, hybrid media, owned media, and social media. Traditional media include radio, TV, and print media. Traditional media also includes well-established media brands such as BBC and CNN. Hybrid media includes media companies that have emerged into the digital age. These include blogs with niche audiences. One of the biggest hybrid media is the Huffington Post. (Tench and Yeomans, 2014, p. 335).

Owned media refers to media channels controlled by a company, for example, a website or a blog. And of course, social media platform such as Facebook and Twitter. However, the primary meaning of social media content distribution is about allowing consumers, employees, communities, partners, and even competitors to share information, making the content very diverse, open, and free. (Tench and Yeomans, 2014, p. 335).

However, often these media channels overlap as the content is usually first featured on the traditional, owned and hybrid media and then later republished on social media or even the other way around. (Tench and Yeomans, 2014, p. 335).

9.5. Cognitive, emotional and behavioural effects on the audience

Media had an effect on people for the past hundred years. For instance, electronic media is having a cognitive impact when a lot of information is continuously delivered, including
world news, weather reports, sports, stock market, pretty much anything we can think of. As a result, to this flooded information, people become more knowledgeable about the world and insights of recent happenings. Electronic media allows people to see things without actually being there, for instance, war-related news and sky diving videos. (Medoff and Kaye, 2011, p. 6).

Media can also make people emotional when watching an animal program on TV or listening to a song on the radio or online. This leads to behavioral changes when emotions take control of our thoughts and make people do certain things. For instance, after watching a dramatic wild forest fire show on TV, some of the audience might make a donation to the damaged communities. (Medoff and Kaye, 2011, p. 6).

Children's' behavior can also be affected by the media. Studies showed that young children who watched educational TV programs like Sesame Street later performed better in academic achievements demonstrating better reading skills than those who didn't watch the program. (Medoff and Kaye, 2011, p. 261).
10. Brand is important - media can build it or kill it

Today, consumers make hasty decisions when it comes to shopping. Certain brands are valued better than others, and some brands are for high-end products meant for the wealthier audience; others are lower-end products intended for lower-end consumers. The categories are endless and yet because there are so many products available, branding is one thing which genuinely puts products into particular categories, making it easier for consumers to differentiate the product. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 71).

There are four brand equity components, each bringing certain benefits to the brand. For instance, brand awareness can influence one's attitude and perception of the brand. Product performance could lead to the premium pricing of the brand. Imagery associations, including the brand's personality and feelings can lead to the brand's extension, and high brand loyalty can lead to lower marketing costs and easier client acquisitions. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 71).

To get the best of these brand equity benefits, the company has to ensure it has all of its activities interconnected through consistent communication. (Ots, 2019, p. 12).

Without communication, brands lose their uniqueness and ability to stand out from the crowd, and so the brand would be weak and not stay in consumers' mind for long. The only way how consumers can learn about the brand and its experience, is through marketing communications. (Ots, 2019, p. 13).

10.1. Brands cannot become successful without consistent communication

Having a product and giving it a brand name does not necessarily mean it will be successful. There are many conditions that build a successful brand. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 55).

For instance, successful brands are genuinely different as consumers can easily distinguish the unique differences between other brand's competitors. Leading brands are always positioned as quality products or services with a clear value-add. The uniqueness also must lie within the overall experience, which can't be easily copied by competitors. Top brands keep innovating their products to fit the new client expectations and ever-changing trends. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 55).

Successful brands stay successful because of their overall performance, including internal and external operations. From the first interaction with the brand, the client must feel exclusivity even if it's just a simple call to a helpdesk. The employee engagement with
clients has never been more critical than it is nowadays. For instance, the success of a bank or an airline highly depends on the quality of the service and customer satisfaction. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 55).

For long-run success, brands have to provide consistent communication, keeping customers aware of the brand's uniqueness and value. Long-term communications are extremely important, especially advertising is a critical factor for brand's development. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 55).

10.2. Media for branding strategy

There is a fine saying; it's better to be talked about than not being talked about at all. As a matter of fact, the company's image can be solely built by media. That being said a media coverage is as important as "no coverage." To strive in front of media, company's have to stay proactive, make the story, not just entertaining but also meaningful, keep the story short and simple, tell the truth, and not exaggerate too much. (Kaul and Desai, 2014, pp. 197-199).

For example, McDonald's didn't merely open in Moscow just because of the Russian business, but because of the gained international media coverage which positioned McDonald's like a very global and reputable company. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 73).

Besides the traditional media, the company's vision and mission can also be communicated through social media platforms. For instance, The Tata Group uses Youtube to publish videos covering diverse areas such as leadership thoughts, careers, corporate introductions, business excellence, group initiatives, and events. Through social media, companies can also improve the engagement level of their employees. (Kaul and Desai, 2014, p. 211).

In the last couple of years, the inbound media channels have been favorite amongst companies. SEO, PPC advertising, content and email marketing, and social media campaigns. These channels are considered to be the new media where information is delivered to the audience quickly and accurately through detailed targeting. Yet, since online media is limited to technology, frequent technology updates often affect advertising results. (Olenski, 2016).

Companies have used media as outbound marketing via TV commercials, radio ads, announcements in newspapers, direct mails, and cold calling for many years. Since new technological advancements emerged in the industry, people started to engage electronically more and so print media kind of suffered the change. (Olenski, 2016).
However, building a brand with a combination of selected media channels from traditional media to new media is very common these days. While traditional media is more expensive, yet it brings unique value-add to the brand’s perspective, especially when it comes to mix-marketing communications.

10.3. Media for competitive market

Media holds the power of destruction and the power of resurrection. From the history to the modern ages, public relations have been in the middle of any major reform. (Caywood, 2012, pp. 71-93).

Companies these days are able to play an offense against their rivals. Through media manipulation, fake news and propaganda it is quite possibly even to destroy one’s reputation on purpose. (Fitzpatrick, 2018, pp. 48-53).

Publishing a false story, a rumor, a defensive story, or an offensive story on purpose through various media channels can be considered as distributing fake news. Fake news has the power to destroy the credibility of a brand. (Libraryguides.unh.edu, 2019).

Newswhip CEO Paul Quigley told in Bloomberg interview that a lie can travel half of the world before the truth puts its boots on. (Boland, 2017).

Media manipulation or so-called fake news, has been increasing over the years and has been especially involved in political elections. (Nicholson, 2019).

Today, to take down competitors regardless of the industry can be quite straightforward. For instance, if the competitor is a technology company, simply publishing fake news about their building code issues, health code violations, or even sexual assaults on employees, can damage the company instantly. The reputation will take a hit, and so will their revenue. (David, 2017).

In fact, fake news is not only meant for destruction but also positive impact. For instance, in the cryptocurrency market, false news often leads to pumped stock prices and successful crowdfunding campaigns (Matsakis, 2018). Crypto companies use media manipulation to increase the company’s popularity leading it directly to stock price pump, which then later is dumped by the very owners of the company. (Bester, 2017).

For corporations, it can be an unexpected event. For instance, there was fake news released about Starbucks giving away free frappuccinos to migrants in the US. The news went viral, and so did Starbucks had to use in a way crisis management communications
on social media to inform people that this news is false. These events can severely damage the brand’s reputation as well as bring a lot of confusion and questions to loyal customers. (Kuchler, 2017).

### 10.4. Social media and crowd control

The fundamental laws of journalism include a code of ethics where journalists serve the public with transparency and honesty. When the internet came along, anonymity took role-playing part in social networking, and so standards of traditional news were not recognized in social media. (Krümm, 2013, p. 15).

Social media has been causing social movements, as various real-time footages have been released continuously. Through social media, data travels at light speed, and so people can be emotionally affected very fast. (Krümm, 2013, pp. 20-21).

Social media gives the ability to users to transmit and share the received information, enabling every individual in the world to be a part of a certain movement. (Krümm, 2013, p. 14).

When it comes to branding, media communications are the voice of a brand. The primary goal is to persuade, inform, and remind customers of the brand’s existence, to engage with consumers in new relationships and even build a community around the brand. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 72).

Social media campaigns can enable an impact on people globally for the company’s interest when viral marketing takes place. However, not in all cases, things go right. For instance, LG did a promotion in South Korea, releasing balloons with free phone vouchers inside them. This drew tons of people fetching guns resulting in 20 people getting injured. (Best Marketing Degrees, 2019).

However, companies can also use social media to get ahead of upcoming events and see what their customers or brand evangelists are up to. If there is a hoax, a rumor, or any other harmful matter about a company, it is for sure to be found on social media. If discovered on time, companies can take the lead and turn the story around.
11. Media as an influencer for announcing important events

Public companies are required to make public announcements of the recent events by regulation to inform the public, including the stakeholders of their company, which lead to a stock price correction. (Catriona Pollard Communications, 2019).

Private companies these days get very creative to get media coverage. It is not easy to get media interested in a company which has no previous media coverage however there are ways how to take advantage of other entities to get media as an influencer for the company’s interest. (Ourcommunity.com.au, 2019).

Different announcements can bring different effects on certain matters; for instance, public statements by government and financial authorities usually have an impact on financial markets. Also, large public enterprises have the ability even to influence financial markets through their announcements. (Chen, 2018).

Announcements can influence investors’ behavior when the news is about mergers and acquisitions, inflation, changes in monetary policy, new trade policies, and other matters which have a direct impact on the economy. For instance, if a company announces an acquisition, the stock price may rise. (Chen, 2018).

This section covers essential announcement types which influence the company’s overall performance when distributed through media globally.

11.1. Partnerships

Companies can use media to influence the audience by announcing a partnership. For instance, if a company is partnering with someone influential with the power of authority or with another company which has a direct impact on the industry, then this information is crucial for stakeholders and other entities that company is engaged with. Positive news always brings so-called positive hype to the company. (Ourcommunity.com.au, 2019).

Companies can also do co-branding with a partner. For instance, promoting partner’s brand while lending their brand’s equity for self-promotion. Additionally, through social media, partners can share each other’s contents within different communities adding extra exposure and value to each other. (Pickering, 2011).

For instance, Airbnb partnered with Flipboard, a social media like platform, to provide lifestyle content for Airbnb users. This enabled Flipboard to interact with the Airbnb brand and its users and the other way around. (Enevoldsen, 2017).
At the beginning of 2018, see figure 11.1.1, Ripple’s XRP, cryptocurrency's stock price was exploding after the partnership announcement with MoneyGram to make the transaction speed faster. MoneyGram benefited just as much, see figure 11.1.2. (Rapier, 2018).
Yet, at the beginning of 2019, when Ford announced a partnership with Volkswagen to build electric vehicles, Ford’s price fell by 6.22% that day as the market was more concerned about immediate cooperation between Ford and Volkswagen as electronic vehicle development takes a lot of time and is definitely not an instant action. Additionally, Ford announced that it would be late for the 4th quarter earnings report. (Osterland, 2019).

Some may argue, but it seemed like Ford announced the announcement by announcing late earnings report to be announced later, using Volkswagen announcement as coverage to shift investors’ attention. According to announcement matters article on CNBC by S. Liesman, it does seem that Ford did just that. (Liesman, 2015).

11.2. Acquisitions

Acquisition news can be tricky, exciting, and emotional as some people will get rich, some will lose their jobs, or maybe even the company won’t exist anymore. Regardless, it is important to keep professionalism in communications when saying “hello” or when saying “goodbye.” (Notopoulos, 2012).

For instance, when Google acquired Sparrow, a company newsletter showed excitement for the future, care for the company’s community and gratitude to investors, see figure 11.2.1. (Notopoulos, 2012).

Figure 11.2.1, Sparrow’s acquisition letter to community.
According to research findings by Rajab B., acquisition announcements can have an immediate impact on stock price both positively and negatively. (Barasa, 2015, p. viii).

For instance, since the recent talks of an M&A between Deutsche Bank and Commerzbank, shares been rising, see figure 11.2.1, however, due to uncertain synergies between banks, investors are not too optimistic on major stock price impact for both banks. (Srivastava, 2019).

![Figure 11.2.1, Commerzbank's and Deutsche bank's stock chart](source: Srivastava, 2019)

11.3. Investing

Quarterly earnings announcements are critical for investors as they provide the financial data that analysts had been waiting for the entire quarter to decide on buying and selling. (Shon, Zhou and Shon, 2011).

For instance, recent Apple's earnings announcement was considered the most important announcement ever made in years. (Eule, 2019).

However, not all financial news can be good enough. For instance, if a company raises $200,000 in private capital and the staff is excited to share the news, it could not necessarily be the best approach, considering that over the last decade public has been accustomed to announcements of investments of tens and hundreds of millions with billions in company's valuation. So even, if the company received an investment of under a million, it does not necessarily mean a high enough narrative for PR news for the current competitive market. (Corbett, 2019).
11.4. News impact on global business

When news is distributed to the public, especially by large companies and players, it usually has an immediate effect on the markets and public speculations.

For instance, in the second quarter of 2018, oil prices dropped after Saudi Arabia and Russia signaled to increase production (Wald, 2019). Later in the 3rd quarter, when Saudi Arabia announced of oil production cut, oil prices rose, see figure 11.4.1. (Vaughan, 2018).

![Oil price chart](Image)

Figure 11.4.1, Oil price chart. 
Source: Vaughan, 2018.

Just recently in the beginning of the second quarter of 2019, Saudi Aramco, one of the largest companies in the world by revenue, signed a deal to purchase 70% stake in SABIC, Saudi ’s chemical giant company (Sertin, 2019). This headline led to analyst speculations and public media publications about how the acquisition will impact Saudi Arabia and the whole energy industry from the mega-deal.
12. When investor relations matter the most?

Investor relations has been in existence for over 50 years. In some regions, IR function is well established and has an important role in the overall company’s financial management, yet in other countries, this function is not adapted well enough. (EY, 2018, p. 3).

For global IR success, ability to build strong relationships with analysts and investors is considered the core activity. IR is acting as a communicator between the company and investment community as well as a communicator between the investment community and management, and the board. (EY, 2018, p. 3).

IR is considered to be responsible for attracting new long-term shareholders while acting as a communication bridge between senior management and investors, and providing the value to C-suite about how to be proactive with investors and analysts. (EY, 2018, p. 4).

For IR department to function at its best, interdepartmental connectivity is valued as a vital necessity regardless of the company’s size where IR department establishes communications with other departments such as treasury, corporate communications, HR, strategy, marketing, legal, accounting and finance, and others. (EY, 2018, p. 13).

For instance, in Asia-Pacific, among mega-cap companies, IR communications with marketing department touch topics like marketing initiatives, media strategy, and corporate communications. (EY, 2018, p. 17).

12.1. Initial Public Offering

When going public, financial communication between analysts, investors, and regulators are critical (EY, 2018, p. 3). Still, the success of an IPO depends on many factors, and for starters, that is timing. (Goenka, 2018).

When going public company is usually overwhelmed with a lot of events, including negative perceptions and adverse reporting from third parties. These matters involve communications with media and other critical influencers of public opinion. It is essential to manage all of the public commentaries as these could drastically damage the company’s reputation, which usually takes years to build. (Goenka, 2018).

To ensure that the right company’s message is delivered to the public to get the right company’s valuation as well as genuine investor participation, media and public influencer relations must be managed together with PR department to upkeep the face of the company. (Goenka, 2018).
PR helps to explain the company's strengths and benefits in easy to understand language for potential investors. Also, unique storytelling strategy could be taken as an advantage for media and analysts. (Goenka, 2018).

However, perhaps the most important step for a company before going public is to set up an IR department. Companies are now recognizing the importance of investor relations department and its duties in early life after the IPO. Before the IPO launch and any public transactions, it is important to have everything in place, including policies and service providers, IR information website, and sufficient staff training, including senior management about investor relation matters. (Human, 2014).

12.2. Initial Coin Offering

While an ICO has become a popular way to raise capital for companies, and a fast way to earn money for investors through different short-term investment strategies such as pump and dump (Weiner, 2017), there still are concerns and risk caution by governments. Additionally, due to a large number of illegal activities in this crowdfunding method, investors are also backing out and losing trust in companies (Kavanagh, 2017). Yet, creativity, powerful branding, marketing, and PR strategies keep pumping up the crypto industry with capital (Derenthal, 2018).

Regardless of an investment type, whether it’s a private equity, IPO or an ICO, risks are unavoidable. Even in the traditional markets when for instance, a foreign Chinese company buys an American publicly listed, so-called dead company, as a shell company enabling Chinese company to get publicly listed in the US markets while running a propaganda PR campaign to pump the price and turning American investors into Ponzi scheme participants.

ICOs face pretty much the same public scrutiny as IPOs. All negative media news, SEC regulations, government restrictions affect directly and dramatically every crypto company running an ICO campaign.

While crypto PR, in general, has been facing a lot of public negativity as most crypto companies usually tend to buy articles on reputable media instead than obtaining a non-paid editorial piece (Conner, 2018), there are still ways for crypto companies to generate authenticity in the current market (Biggs, 2018).

However, in the crypto space, there is a legal pattern involving investors and their invested capital. This pattern is compliance with SEC regulations. Many crypto companies raise money, and then they face a lot of issues because they have not complied with SEC regulations. This is not only about the company complying but also investors as well, as each
investor, has to go through KYC check to be a legible investor for a crypto company. KYC actually plays an important role in the crypto industry, and it is in a way directly linked with investor relations matter. (Roberts, 2018).

12.3. Raising capital online: Interview findings with Sergey Maslennikov, Global PR Director at Waves Platform

Sergey Maslennikov is a PR professional working in the industry for over 11 years. He is currently a global PR director at Waves Platform which has recently raised $120 million for its private blockchain solution Vostok. Previously he was a global PR lead at MetaHash company which raised nearly $36 millions in funding.

Sergey has a lot of experience and knowledge about what works and what doesn't, especially when it comes to PR and IR.

Sergey says that before starting a crowdfunding campaign to raise capital online, research is a must about the crowdfunding itself, considering there are a lot of rules and regulations surrounding this particular funding space.

For instance, in the US, companies have to pass rules of the SEC, before selling their equity through crowdfunding. According to the provision of JOBS act, company cannot exceed $1 million funding in the 12 months before starting the crowdfunding. (Dresner, 2014, p. 83).

Considering that crowdfunding originally started in Europe and then was adopted in Asia and US, the idea traveled around the world through many different jurisdictions, and so knowing crowdfunding laws based on global jurisdictions is absolutely crucial for a company. (Dresner, 2014, pp. 199-211).

According to Sergey, if you want to succeed, especially in a competitive industry, you need to determine what sets your project apart from other available options. Smart marketing or an exciting technology alone won't guarantee that the target customers will be impressed by what the company is offering. Company has to provide real value and a new experience.

Additionally, paying attention to trends is very important. Most people think they have to come up with an entirely original idea, but by taking currently popular trends and building from there, can be just enough. Of course, the long-term success of any business requires assembling the right talent to build the company's brand. The team is the projects' backbone, and one cancerous person can completely derail any progress.
Sergey puts it out that communicating with investors throughout the entire process of funding is crucial, and the communication also helps to build trust. Of course, there is no need to tell them every detail, still trying to be as open and transparent as possible is good enough.

Sergey adds not to forget any of the promises been made during the funding campaign, whether they were to made an entire investor group or specific individuals. Following through on given promises, will not only build credibility for any future projects but will also help to avoid disappointing supporters.

When it comes to creating and executing a professional marketing strategy for a successful ICO campaign, it should always be a mix of different approaches such as media buying, public and investor relations, and roadshows.

Once you know who your target audience is and what they need, providing high-quality print and digital marketing materials is essential. The company should personalize materials based on its message.

When starting a crowdfunding campaign, don't forget to set goals. Not only should you decide beforehand what your total fund-raising goal is, but you also should specify roadmap goals, production goals, and any other ones needed to keep your project moving forward.

When it comes to media relations, it's not that easy, as the blockchain technology itself is still relatively young and there are not that many examples of practical application yet. Media editors are fed up with "announcements of announcements" and look-a-like products so it can be difficult at times to get editorial coverage.

Whether it's possible to raise capital online without PR, Sergey's answer was straight forward definitely not, though a company should have an outstanding PR team working together with marketing and sales teams, as trends and portfolio of tools are changing rapidly. However, to actually get the global reach and truly put a brand forward to stand out from the crowd, the PR is the only activity which can make it really happen.

12.4. Private equity: Angel investors and venture capitalists

In the early stage of a company, entrepreneurs raise capital privately through angel investors and venture capitalists. There are a lot of risks involved in private equity investments as new companies usually are tiny in revenue or don't have revenue at all. Additionally, there are always issues with prototypes and product development. (Mcclure, 2018).
Private equity investors make investment choices based on management, market size, product's competitive edge, and the overall assessment of risks. (Mcclure, 2018).

Management is considered to be one of the most important factors as at the end of the day the company is run by people, and it can only be executed successfully by the right people with the right mindset and plan. (Mcclure, 2018).

Expert publications can influence private equity investors. For instance, if the company is raising funds, yet if the concept is new and unfamiliar to investors, the company can publish an informative article or a whitepaper and this way show through media that company can be a leader in the particular area of expertise. (Catchette, 2013).

For smaller companies, in the early stage, IR takes the position of financial communications which are linked to contacting, communicating, establishing relationships, and pitching to private equity investors. (Kollmann and Kuckertz, 2005, p. 3).

Startup companies tend to have specific characteristics such as limited resources, negative cash flow, lack of profit, valuation depended on future positioning and high-level of uncertainty in technology development and overall business practice. It makes it difficult for startups to find investors at such an early stage, and so for these type of companies, finance communication is about creating relationships with early investors. (Kollmann and Kuckertz, 2005, p. 7).

Financial data statements for early-stage startups are about the future projections, and so it falls under IR to create those projections for private equity investors. (Kollmann and Kuckertz, 2005, p. 8).

Additionally, there are certain factors which motivate investors to invest in a company besides financial returns. These factors are employment opportunities and altruism when some private investors are genuinely interested in a project and want to help startup by investing their personal time. Then there is a tax incentive when the investor party gets a tax relief from the amount of investment in the company. (Talmor and Vasvari, 2011, pp. 344-345). Knowing these specific hidden investment decision patterns, professional IR communicator can influence investor's decision making.

In the end, private equity is about people and building relationships with a mutual interest in oversize financial returns. Since startup business includes uncertainty, and there is no solid financial data, angel investors and VCs can also be taken advantage of through various communication manipulations. Small businesses are interested to investors because there is a human hope which brings a chance, and as long as there is a chance of finan-
cial increase, investors will invest if they are enough convinced. (Leleux, Van Swaay and Megally, 2015, pp. xxiii-xxiv).
13. Factors that influence investors’ decision making

Consider that investors are people, and just like customers, people tend to make decisions based on psychological rather than rational thinking. For investors, in addition to the firm’s image and recommendations, decision making also includes financial data such as performance, prices, analysis, and perspectives. (Sundar and Deo, 2015, p. 72).

While data such as earnings per share, cash dividends, and the company’s performance reports are typical factors to analyze for investors around the world, there are also many other factors influencing investors’ decision making such as investor’s age, education, and accessibility to the internet, get-rich-quick mentality, religion, loyalty to company’s services or products, opinions of friends and family and influence of people toward the company. (Sundar and Deo, 2015, pp. 73-74).

According to a recent Edelman report, see figure 13.1, trust is the most important factor in investment decisions (Edelman, 2018, p. 32). Trust is not just for investment purposes but in general for any decision making people do, whether it’s buying food from shop A or shop B or buying a car from vendor A or vendor B. In the end, it's always about who people trust more. (Knowledge@Wharton, 2017).

Nowadays, investors trust family and friends more than professionals because investors think that family and friends are only there to help. There is a lack of trust between investors and professional financial companies. (Stammers, 2014). Still, while some com-
panies genuinely provide real information and want to help, that's not always the case, and it is an industry problem.

Corporations can develop communication strategies and play with investors’ trust to lure them in the circle and invest. There is always a lot of promising in the beginning whether its a startup promising fast exit strategy with high returns to angel investors or venture capitalist or its a publicly traded company promising sustainable long-term investments with strong growth potential, it's still all about convincing and getting people in.

13.1. Issues with trust and transparency in companies

Today, investors want more insights from companies to understand their values and long-term strategy. There are often trust concerns as investors tend to find or come across specific company’s information about its products or services before it gets disclosed by the company. Since companies must show transparency to their stakeholders upfront, it does raise questions of the company’s transparency. (PwC, 2017, pp. 2-3).

In a recent investor survey done by Natixis Investment Managers, 87% of investors worldwide say that they trust themselves the most when it comes to investment decisions. The second most trusted authority would be a professional investment advisor. Half of the surveyed people believe in media sources. (Natixis Investor Managers, 2018, p. 5).

To increase the level of trust, investors want to truly understand the numbers in the reports behind companies’ disclosed financial statements. The reports should include not just the results but disclosures as well about used methods for financial reporting, used models for estimation and measurements, used assumptions, risk exposure information, and information about why changes in certain items have occurred. (CFA Institute, 2013, p. 103).

Additionally to valuable annual reports, e.g. SEC Form 10Ks, investors require quality improvements in off-balance sheet assets and liabilities, non-financial information, accounting estimates including key assumptions and sensitivity analyses, derivatives, hedging and contingencies, cash flows, and extraordinary and unusual charges. Last but not least investors also require greater information on the company’s audit reports. (CFA Institute, 2013, pp. 103-104).

For instance, in 2018, the crypto industry grew to almost one trillion dollars, and it was not only because people trusted crypto companies but because they trusted the whole industry, however, when scams and frauds occurred, the trust was destroyed, and so the entire industry’s market capitalization fell to just under 200 million dollars.
13.2. When companies are forced to innovate

Transparency is under the control of a company, and the company uses transparency to assure clients. By showing people how it's done, people then understand the process, and if it makes sense to them, they will trust the company. The more you show to people, the more people believe you. (Kirby, 2012).

For instance, by telling a friend that he or she can make a million in 3 months would kind of be sceptical but if you show the friend results of previous events and that a million in 3 months is doable, it raises a certain level of trust and belief, and so the more you show, the more confidence you get.

When big companies have to gain customers trust globally, they have to be transparent to the whole public, but this raises a global problem because competitors from around the world can see the structure and processes of this company, enabling competitors to create better solutions, overcome and dominate. (Kirby, 2012).

Yet, if a company is not transparent customers won't trust it, and if it is then competitors will take advantage of it and try to push it out, and the only way to survive is through innovation. (Kirby, 2012).

In the current competitive market, since there is a lot of competition, people have a lot of options, and these options fight with each other and compete. Some of them offer things which others can't, and so the others lose. Today, there is a requirement for constant development and constant innovation to be able to compete and survive, and so while leading companies still take advantage of their brands, the competitive market is forcing them to innovate as well.

13.3. Leveraging communication technology to build trust

Advanced technology is changing ways how investors access essential information about the company's finances, operations, and performance, and so technology is also changing how companies communicate to investors. (PwC, 2017, p. 1).

Well established corporations use technology to deliver information quickly to investors on issues how technology can impact a business, including risks of disruption, competitive advantages, and new business models. Technology enables corporations to enhance interaction with investors as well as transparency by using new communication channels to provide more detailed information on specific topics while at the same time increase engagement between investors globally on the recent company's news. (PwC, 2017, p. 1).
To build trust in the modern digital age requires a company to create a definite corporate purpose and be able to communicate clearly anywhere to anyone, from boardrooms to social media. An alignment between the business model, strategy, and core values should be set in place throughout all communication channels. Companies should leverage technology to understand investors’ perspective better and focus on ways how to use that information to improve investors’ engagement within various communication channels globally. (PwC, 2017, p. 3). This will enable companies to provide more accurate insights to investors, whereas investors will also be able to share their own opinions and ideas - creating a community.

At the same time, trust can be challenging to build when new emerging technologies such as artificial intelligence and blockchain bring new risks. New technologies can be scary to adopt but understanding them can build up the confidence. While AI and blockchain offer new ways of building trust, these technologies leave a business vulnerable to new risks. To reduce risks while maximizing the potential of new technologies, companies then have to develop governance frameworks. (Boillet, 2018).

Today, digital communications are not just nice to have as an option to keep in touch with investors. 90% of investors use digital channels to gather information about companies. 70% of investors make investment decisions based on things they learned from digital channels. For instance, professionals use LinkedIn to search for vital information and latest company updates as these updates usually come directly from the company’s employees. (Manson, 2018).

Digital media channels are used today to learn about the overall market, specific companies, and their executives. While online publishers and search engines are most used digital sources, social media is also significant as 48% of investors regularly check LinkedIn, and 42% rely on Twitter. (Manson, 2018).

Figure 13.3.1, Media trust analysis between mainstream and digital media publications. Source: Manson, 2018.
LinkedIn is considered as the most professional social media channel with a positive 26 trust score, while investors' trust in Facebook falls contrary 50. LinkedIn is mostly compared to traditional media such as CNBC with a trust score of positive 42. (Manson, 2018).

The most trusted channels in mainstream media publications are considered to be Bloomberg Terminal and Wall Street Journal, while in digital media publications these are search engines and LinkedIn, see figure 13.3.1. (Manson, 2018).
14. Investors like promises and big visions

It is estimated that in the US, over half a million new businesses are formed every month, (Nazar, 2013), while in the UK in 2016, there were almost 700 thousands new companies established (Bounds, 2017). Still, more companies are shutting down every month than opening up (Nazar, 2013).

It is certain that the number of new businesses is increasing annually, and a lot of those companies require capital to grow, mainly product based startups. The competition is beyond fierce, and only truly unique and exceptional products or services get accepted by the public worldwide.

When it comes to investor relations, investors have heard it all, and so companies have to sell the future. Investors are interested in disruptive ideas, the game changers, as disruption has the power to overtake market leaders. It is analyzed that companies which communicate to investors through future disruption have a higher chance of getting funded. (Van Balen, 2018).

Competitive markets lead to innovation, which leads to faster business development. Today, $10 billion companies are built faster than ever before. Consider that it took over 30 years for Starbucks to reach 10 billion market cap, yet in today’s market it took just seven months for an electric cigarette company, JUUL, to reach 10 billion market cap, see figure 14.1. (McBride, 2019).

Figure 14.1, A year chart to see how long it took for companies to get $10 billion valuation. Source: McBride, 2019.
In the 21st century, technology plays a vital role in the overall economy. Hundreds of years ago, the economic leaders were companies like GE and American Sugar Company. Today, the economy is lead by technology companies such as Alphabet, Facebook, Tesla, and Starbucks. (Nasdaq, 2018).

![Average Lifespan of an S&P 500 Company](image_url)


Considering that the average lifecycle of S&P 500 companies fell drop 61 to 18 years, investors today are turning to technology companies for faster growth, see figure 14.2. (Powel, 2017).

14.1. Pitching a business to investors on spot: What investors look at

An investor pitch has a lot to do with communication. Communication has to be clear in terms of explaining the problem, idea, and the business model, presenting the margins, and presenting the competitors. However, the most important part is to convince investors of the best team and their ability to connect to customers. (Newlands, 2014).

According to study findings done by Lakshmi Balachandra, there are four factors which impact on a pitch, including calmness, trustworthiness, coachability, and behavior. (Harvard Business Review, 2017).

Investors prefer calm personalities, as calmness is seen as a leadership strength. Since many private investors work closely with entrepreneurs for many years, investors are look-
ing for a trusted founder, so trustworthiness as a character is very important. A CEO who lacks skills in finance, technology, or management can be trained, but the character is not easy to replace or change. (Harvard Business Review, 2017).

During the pitch, small elements such as smiling and nodding can show to investors that an entrepreneur is open-minded to feedback and improvements. Most investors prefer investments where they can add value meaning to bring something new to a company, and so if the founder is open to it, the chance of getting a deal closed is much higher. (Harvard Business Review, 2017).

Last but not least masculine behaviors in pitches are more preferred than feminine — it kind of shows the power that the entrepreneur can lead the company. Balachandra’s study shows that private equity investors are biased against female stereotype behavior. (Harvard Business Review, 2017).

14.2. Getting global investors’ attention through global media

In late 2017, when cryptocurrencies almost hit one trillion dollars (Kharpal, 2017), many new companies were launching their own coins and doing their own branding for each and every single coin. (Wilson, 2018).

Cryptocurrencies grew fast because they were branded very fast, and fast branding is done through advertising and professional PR. Crypto companies place expensive articles in high profile news channels that run fascinating stories about them, enabling the message to be delivered quickly worldwide. (Detrixhe, 2019).

The PR hype was so huge that even the US Federal Reserve considered launching a Fed coin. The buzz also reached Goldman Sachs and rumors spreading of GS starting a bitcoin trading desk because GS investors were interested in cryptocurrencies and their exponentially growing market. JP Morgan even proposed to have their own coin, JPM Coin. (Detrixhe, 2019). Imagine the level of hype that even the highest authorities such as US Federal Reserve and world’s most powerful bank, Goldman Sachs, is getting into the crypto industry.

In 2018, the Wall Street Journal experimented by creating their own WSJ Coin to be able to analyze better insights into the crypto industry. There are a lot of matters involved in the whole process, and convincing is the core task. Companies have to convince global communities that the coin is worth mining so there would be an activity in the first place. When WSJ created a WSJ Coin, journalist Steven R. convinced a local shop to buy WSJ Coin and exchange it for the same value of a beer, and it worked. However, to get a bigger picture, companies have to be able to convince the public globally that their currency
is credible and has value. The more people are convinced that a certain cryptocurrency is useful, the more likely the value of a coin will increase. (Russolillo, 2018).

When it comes to traditional investments, investors can rely on historical data of a particular company that they are investing in. In crypto markets, historical data doesn’t exist, making it difficult to understand and predict future financial data. The alternative information which investors can possibly rely on is the current news and old news.

In the crypto industry, PR and media play manipulators role. Through media companies spread news, including fake news, and due to lack of information to choose from, a lot of investors rely on the media and latest news. For instance, crypto startup PR departments often push positive news out to boost up the price like in Ripple’s case during 2018, when the market was going down throughout the entire year, yet media tried pumping positive hype through fake headlines. (Munster, 2018).

In the long run, marketing communications can be seen as brand building or brand-damaging activities when brand damaging is done through heavy price promotions. (De Pelsmacker, Geuens and Van den Bergh, 2010, p. 72). Meaning that by pushing too much on a product and promoting the price, it will only damage the company and its brand.
15. Strategies when going public: Traditional and new approaches

Private companies go public to raise capital and provide exits for their investors. It’s a preferred option with a lot of benefits but it doesn’t come easy. A company needs to be fully equipped for the IPO roadshow and be ready to adapt critical changes quickly. Companies should spend at least two years building the infrastructure and recruiting executives to set everything up for the IPO. (EY, 2018, p. 1).

For companies going public means access to capital and ability to raise money through equity and bonds. Share trading with high liquidity is sort of guaranteed on a daily basis. Brand equity goes up as brand recognition, and prestige increases significantly among the clients. (EY, 2018, p. 4).

Running a successful IPO also depends on several factors such as having a strong management team and compelling equity story, fair pricing, right timing, and definitely be ready to meet high investor expectations. (EY, 2018, p. 5).

The traditional IPO process has 4 phases, including strategy and planning, IPO preparation, IPO transaction, and being public, see figure 15.1. (EY, 2018, p. 1).

In the beginning, the company has to conduct an internal evaluation of whether the IPO is the right option to go with for capital raising. If so, then the company needs to do IPO readiness assessment and get prepared meaning doing the strategy for equity story, IPO exchange and the whole concept, doing the structures for company groups, governance
and legal, doing the taxation preparations for company, shareholders and transactional levels, preparing the timeline for IPO and regulatory approval, plan B options and project management, doing the financial preparations for business plan and future projections and external reporting, preparing the leadership including C-suite, board of directors and company’s HR, then checking the functions such as IR, compliance and committees. Last but not least, preparing the systems for internal control and audits, compliance and IT, and enterprise risk. (EY, 2018, p. 12). This all should be done 12-24 months before the IPO.

Phase two is the actual IPO preparation, a 6-12 month before the IPO. This step includes the final checking of the business plan, which then should be prepared in a presentation format for banks, analysts, and investors. Next is building the external IPO team, including lawyers, bankers, auditors, IR, and other advisors. Then, of course, setting up the IPO timetable, starting due diligence, and preparing the offering. And doing the final tuning on the equity story and valuation based on initial investors’ feedback. (EY, 2018, p. 26).

Phase three, IPO transaction, 1-6 month before the IPO. This phase includes the preparation of the financial information for the first draft of the offering. Managing the filling process and getting approvals from regulators and stock exchanges. Launching a campaign to attract the right investors, and finally determining the IPO issue price and allocating orders to investors. (EY, 2018, p. 32).

The last phase is to ensure that the post-IPO plans stay as planned. This phase includes creating a series of campaigns about the IPO to attract media attention and get everyone excited, especially investors. Of course, the investor expectations have to be managed with the efficient financial forecast, while delivering high-quality reporting and disclosures to investors. (EY, 2018, p. 40).

This process indicates the traditional way of getting a company listed on an exchange which can be then publicly traded. However, the recent technological advancements have open new ways and new strategies for companies to get listed and become public, enabling even SMEs to get a piece of the public offering game.

15.1. Understanding amateur investors and professional investors

Researchers have found that behavioral economics concepts like anchoring makes people do wrong decision making when their mind is stuck on a number, and they simply can’t get over it (Jackson, 2018).

For instance, from a professional perspective, the buying price of the stock should be irrelevant, yet when numbers change and price drops, it can be a mind trap to hold the fall-
ing position and hoping for it to get back up. This could lead to significant loses while well-managed operation could lead to minimal loses. (Lahiff, 2018).

In cases, investors tend to care too much about previous stock performance; however, according to financial institutions, past performance not necessarily apply for the future forecast. (Jackson, 2018). For instance, in the crypto market, there have been a lot of false future forecasts of crypto stock prices due to the forecast statistics being made by past performances in the first place and not the long-term realization. This lead to huge disappointments in the crypto market as crypto forecasts had totally misled many investors.

Additionally, diversification can be misapprehended. Consider that investors assume that investing in different S&P 500 companies makes their portfolio diversified is actually not accurate as S&P 500 companies fall under the same category. (Jackson, 2018).

For instance, according to Nasdaq report in figure 15.1.1, it is clear that S&P 500 companies are behind in terms of growth and other companies such as Cyber, Nasdaq 100, and Internet are categorized way above the S&P 500. (Nasdaq, 2018).

Diversification is not just investing in the same type of category businesses or fund, but it also means investing in different funds and ETFs even internationally. (Jackson, 2018).

As money is a sensitive subject to the majority of people, it can become emotional. For instance, people tend to sell winning stocks too soon while they keep rising, and profits could be much higher, yet people hold on falling stocks for too long losing a lot of money. (Jackson, 2018).
One of the most influential factors affecting investing is financial news. Financial news today is filled with a lot of false information and lousy advertising, promoting bad products which do not help (Picardo, 2019). Consider following only the highest ranked financial news channels such as Bloomberg news or Bloomberg Terminal to get the most useful financial information.

Investors tend to panic over short-term price falls. This is probably the most common issue globally. In the short-term, prices usually fall, but if the company is performing as expected, then the long-term price will always go up. (Richardson, 2019). For instance, in the crypto market, short-term price falls are very typical, but it can be hazardous as in the crypto industry, in general, people panic a lot and continue to spread their panic through social media making others panic as well. Stock market panic can be contagious.

Investing too much into fast-growing stocks of the day can still reduce the overall portfolio’s valuation even if the market is rising. If not analyzed enough, buying cheap shares can also put an investor into a bottom position. (Richardson, 2019).

According to a famous fund manager, Peter Lynch, more money is lost in predictions of the market crash than an actual market crash. Considering political activities such as Brexit, there can be a lot of speculations, and so between the period of Brexit talks and Brexit actually happening, the predictions and political discussions can destroy a portfolio if investors follow every single headline in the news. (Richardson, 2019).

There are a lot of factors and details affecting the average investor’s mind, but when investing professionally, other patterns matter.

According to seasoned investors, investing in companies with growth in revenues per share and high return on capital employed is better than investing in companies growing by acquisition. It is essential to understand the business and overall idea to get in as an investor as investing should not only be about buying stocks which go up and down. It should be based on a personal interest in the company and knowledge of the industry as well. (Davis, 2013, pp. 9-12).

Keeping a portfolio on low turnover and acting more like an owner rather than a trader enable investors to have more time to monitor the holdings (Davis, 2013, p. 13). It is important to understand that asset allocation, which maximizes chances for high returns, also maximizes chances for big loses (Davis, 2013, p. 19). Thinking long-term is the primary activity of investing and not letting impulses do the wrong decision making. (Davis, 2013, p. 24).
There is a misperception of sayings like stocks and real estate market always go up in the long run. While some of it is true, yet still there have been many cases when people and companies lose, and so in continually changing economic environment being aware of recent happenings is important while trusting no one. (Davis, 2013, p. 53).

Today's leaders may not be tomorrow's leaders. For instance, back in the days, Xenon and Polaroid stocks were up in 1973 but not in the current market. Keeping global awareness of key industry players is very important. (Davis, 2013, p. 54).

While society is spending money on various things, the best investment that one can make is investing in your own education, and yourself. This will open new ideas and perspectives which can lead to new ventures and advancements in career. (Davis, 2013, p. 55).

An interesting strategy discovered by Yale Hirsch in 1950 is to invest in the market between November 1 and April 30 each year to have a positive impact on the gains. For instance, the presidential election has an extreme effect on stock prices. In the last 170 years, stock prices gain 722.4% in the second halves of presidential terms. (Davis, 2013, pp. 65-66).

Also, by mid-December Wall Street sells looser stocks on new lows which later by February 15 outperform the market. Buying low in mid-December, and selling high in mid of February. This is due to tax season. (Davis, 2013, p. 68)

Tracking central banks is like tracking money. Following closely central bank's balance sheet provides useful insights. (Davis, 2013, p. 88).

15.2. Other way to get a company public: A reverse merger

While filling SEC documents and applying for listing at Nasdaq stock exchange or New York stock exchange can be time-consuming, expensive and complicated there are other ways how to get company traded publicly on an exchange, for instance, a reverse merger.

A reverse merger happens when a private company merges with a public company, which is called a shell company and is usually sold at a meager price. The private company then automatically becomes a public company. According to SEC, a shell company is a company with no operations; in other words, a shell company is kind of a dead public company. (Egsllp.com, 2019).

In life, in general, there is always a right way to get things done, which is the proper way, but as covered at the beginning of this thesis, as long as people are people where power
and money have influence, there will always be a way to get things done around - the other way.

When it comes to getting companies listed on exchanges, the traditional SEC filling is the right way; however, a reverse merger is a way to avoid it. Since SEC fillings are incredibly complicated documents with a lot of high standard requirements, companies wanting to go public may not fit those requirements, so they look for other ways.

For instance, ten years ago, there was a big China Hustle, when Chinese private companies bought American public shell companies to become listed. Of course, heavy advertising and media promotion play a significant role in the process when it comes to influencing American investors to invest. In the China Hustle example, companies got allegations of fraud as their so-called private companies in China were run by one man with no actual operations, yet when applying for public listing through shell company, given information was fraudulent and China’s law doesn’t allow foreign institutions such as the SEC to inspect Chinese companies in China. American investors lost at least $34 billion in investing in reverse merger companies. (Eden, 2010).

After the Chinese fraud, the SEC increased the requirements for reserve merger companies to get listed in exchanges. These requirements include a compulsory one-year seasoning period by trading via OTC which is regulated by the US. The company also has to maintain a minimum share price for a minimum of 30-60 days of trading prior to its listing application to the exchange. (Egsllp.com, 2019).

15.3. The new way to get a company public: The crypto way

In 2018, a company called block.one raised $4 billion in their Initial Coin Offering without a product. They started their ICO in the summer of 2017, during the biggest hype of cryptocurrency. Block.one had amazing marketing, including advertising campaigns internationally, media coverage in prestige magazine outlets, their brand was built very fast. (Morris, 2018).

Other companies raised huge capital as well, for instance, Dragon Coin raised $320 million, Huobi - $300 million, HDac - $258 million, Filecoin - $257, Tezos - $232 million, Sirin Labs - $157.9 million, Bancor - $152 million, and the list goes on. (Rooney, 2018).

As covered in section 14.2, getting global investors’ attention through global media, the Wall Street Journal created their own coin WSJ Coin, hoping to understand the crypto industry insights better. While the overall idea of the potential product and the future vision
is essential a lot of ICO success percentage depends on timing, and the overall hype and marketing play a crucial role. (Bezverhi, 2018).

ICO success stands behind marketing strategy and its not cheap as the company should invest at least 10% in marketing from the total amount which they aim to raise. A big part of the marketing budget should go into public relations, securing high-news channels and magazines for project promotions. (Bezverhi, 2018). Yet, in ICO marketing, overpromising and market volatility often mislead amateur investors into losses.

An Initial Exchange Offering, also known as IEO, is a new development which was introduced in the crypto industry in late 2018. IEO provides a shortcut to getting listed and becoming a publicly traded company instantly. IEO also provides a certain level of security for traders since exchanges that provide listing services are usually reputable exchanges and well known compared to a recently launched ICO which usually raises trust issues. Before the IEO, companies had to create their own technology enabling investors to invest through smart contracts into their company, but now IEO provides better and more accessible access for investors to invest while making it easier for crypto companies too. (Zab Technologies Pvt Ltd, 2019).

15.4. Taking advantage of media as a proof of legitimacy

Media plays a big part for companies going public whether its an IPO, an ICO, or a reverse merger. In the crypto industry, since companies are newly established, there is a lack of trust and to gain that trust PR departments get articles on reputable media outlets print and online.

Since high profile media has a reputation, new companies can gain a fast reputation as well by being covered there. Amateur investors usually fall for such tricks, and companies use that as an advantage and leverage the power of media to manipulate especially uncertain and new investors. Professional investors can also be affected if the campaign is executed really well enough with enough professionalism and strong PR and IR communicators.

Regardless of the funding type, it’s about convincing, and so advertising and media are the primary channels to start spreading the message. For instance, when going public company can’t merely survive only on earnings. A smart communication strategy has to be implemented to make an impact on the markets. (Barbagallo, 2013).

When it comes to going public, telling the IPO story falls under PR and its not a banker’s job. (Hamilton, 2006).
16. Ways of getting media attention

Today, getting human attention is difficult, and the supply of attention is limited. More and more companies use various media channels to get peoples’ attention, making the global market crowded with product and service promotions. According to expert estimates, Americans alone are exposed to between 4000 and 10000 ads daily. (Simpson, 2017).

Intense and constant competition creates challenges for brands, yet through challenges, brands evolve. Especially premium and luxury brands have to fulfill extremely high expectations of the global audience and shareholders, as leading brands are always expected by default to perform the best. (Simpson, 2017).

Considering that after seeing 10000 daily ads, people start ignoring them by default, yet each individual still follows specific channels of their interest. For instance, most people use social media daily, others listen to the radio while others read magazines and newspapers. These channels are the ones companies go after to reach their target audience.

At the same time since each business depends on other peoples’ interest, so does media business depend on peoples’ attention as well. For instance, TV competes with digital, while digital media magazines compete with traditional print magazines. In order to get people interested in the media, the media has to provide exclusive insights and unique material. Due to stiff competition, the standards become higher as media is obligated to cover news which is worthy for their readers to sustain the readership of existing subscribers and attract new ones. This can make it difficult for companies to get into media and get covered. (Webster, 2014, pp. 1-3).

Attention is expensive, and advertisers spend $500 billion each year to reach the audience. (Webster, 2014, p. 8). Since attention has become like a premier industry and demand for it has accelerated tremendously, the number of media providers has been growing ever since. (Webster, 2014, p. 15). Today, the media business is about making money. Commercial media sell access to entertainment for people and branded content to companies generating massive amounts of revenue. (Webster, 2014, pp. 49-51).

According to the latest media rates, media services are costly, for instance, Bloomberg TV advertising can cost easily half a million dollars. Bloomberg charges around $200,000 for a branded content article. Considering that the average article is around 700 words, Bloomberg is making $200,000 profit by publishing 700 words text. For instance, TIME, Fortune, New York Times charge between $50,000 to $100,000 for a branded article. These sums are definitely not applicable to all companies as marketing budgets like these don’t hang around in everyone’s pocket.
This raises difficulties for companies to reach the audience. However, there are other ways how to get media with smaller budgets.

**16.1. Media pitching**

For a longtime PR primary focus was media relations and special ways how media coverage for clients were secured. Before and now, PR is still used for managing media relations through relationship building and providing exclusive insights to journalists. Interactions such as taking them out for breakfast, lunch and dinners is one way to get a journalist to be friends with you. (CIPR, 2013, p. 137).

Media pitching is tough, competitive and difficult. However, media placement is free of charge. If the story is good enough and fits current trends or covered insights, there is a high chance that the company can land a free press in a reputable media for no cost.

Very often companies and media misunderstand the value of unique news. What is seen as essential or new in the company’s eyes may not be relevant to media at all. Sometimes companies get new update internally and want to announce it publicly, but unless the update involves something really big like Apple or Facebook, in media perspective that update is not worthy of spreading. (Renfree, 2016).

It is important to always think about the audience as well. If the story is about specific industry meant to be read by specific individuals, it is wise and recommended to approach that industry’s specific media channel and even a specific writer who covers about that certain theme in particular. The more detailed story is presented the better chances are of it actually getting published. (Renfree, 2016).

Whenever doing a pitch, it is also important to remember to back up the facts. Sometimes companies include a lot of numbers in their pitches, yet those numbers are based on their personal opinion, so it is important to get the facts right from the very beginning, and save time for the journalist to search for the facts by himself. (Belicove, 2013).

Consider that journalists are busy people and their emails are always spammed, so making a story pitch short and clear is essential. Additionally, include something unique to excite the journalists, for instance, offer them an exclusive interview or a sample product to try out. (Windsor, 2018).

Companies pitching ideas to journalists successfully can significantly increase brand awareness without spending a cent. To manage all that, PR takes a core role in it, not just in pitching but also in research, as professional tactics, always include research of the journalists, editors, latest trends and other possible angles which can directly influence the
result of getting a free press. (Windsor, 2018).

16.2. Press releases

While media pitching is more about relationships, trust, and networking, the press release is a short news piece which is usually sent to the network of journalists to get their interest. (Roos, 2019).

The press release is very common and widely used PR method to share company news amongst companies today. A press release has become a vital tool to promote a company locally and globally, and it also serves an essential purpose. For instance, through a press release, companies announce their latest products and service updates as well as new partnerships. In overall, it improves the brand’s awareness, and news reach as press releases usually get instantly published by the distributor and then reprinted by other media immediately around the world. (Tan, 2012).

Perhaps one of the most important announcements for public companies is quarterly earnings report, for which press release is used to distribute the information across different channels. (Chen, 2018).

It is important to state that the company and not journalist produce a press release. Sometimes, in over-flooded media can be challenging to distinguish press release from original news, however paying attention to the first sentence will tell if the material is produced by the company or not. (Chen, 2018).

The biggest companies which provide the most extensive press release distribution network worldwide are Business Wire, which is owned by Warren Buffet’s Berkshire Hathaway company and PR Newswire, a subsidiary of Cision company. (Chen, 2018).

While press releases are used for instant exposure enabling companies to show fast results to clients and also gain web traffic, yet press releases are limited in many ways. Press releases are considered to be positive news about the company which in many times provide limited and misleading information to the audience, and so press releases are seen as insincere. (Chen, 2018).

Additionally, fast publications that press release secured for companies are not published in major media channels. It is sporadic that a company would get premiere coverage from a press release. Considering that thousands of press releases are being sent by public and private companies every day, only the best ones with the most compelling story headlines get the premiere media coverage and those usually come from public companies. For private companies, press releases do not provide as much value as for the public.
However, press release publications are also relatively low cost. It is possible to get a press release published for just $50 with 100 reprints in the global media.

Professionals even have specific strategies for press release management. For instance, distributing a news story on Tuesday, Wednesday and Thursday show best results in gaining the highest number of views of the story. (Comer, 2018).

Today, PR professionals combine media pitching and press release. Using the press release as an information teaser on the subject, and sending an email with a compelling subject line out to selected journalists of a particular niche group. (Brenner, 2018).

### 16.3. PR consulting firms

While advertising agencies and PR agencies serve clients for the same reason, which is to promote the client, the approaches these two agencies take are entirely different. Advertising agencies secure ads, billboards, TV placements, and other advertorial spots, while PR agencies try to capture so-called earned media without any marks such as “sponsored” or “paid.” (Wynne, 2013). See the comparison table between advertising and public relations in figure 16.3.1.

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>ADVERTISING</th>
<th>PUBLIC RELATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>A technique of drawing public attention to products or services, mainly through paid announcements, is called Advertising.</td>
<td>Public Relations is a practice of strategic communication that aims at building mutually beneficial relationship between the company and the public.</td>
</tr>
<tr>
<td>Media</td>
<td>Purchased</td>
<td>Earned</td>
</tr>
<tr>
<td>Communication</td>
<td>One way</td>
<td>Two way</td>
</tr>
<tr>
<td>Focuses on</td>
<td>Promotion of product or services, with an aim to induce the intended audience to buy.</td>
<td>Maintaining a positive image of the company in the media.</td>
</tr>
<tr>
<td>Control</td>
<td>The company has full control over the ad.</td>
<td>The company can pitch the story, but has no control over, how media uses or does not uses at all.</td>
</tr>
<tr>
<td>Placement</td>
<td>Guaranteed</td>
<td>No guarantee</td>
</tr>
<tr>
<td>Published</td>
<td>As long as you are willing to pay for.</td>
<td>Only once</td>
</tr>
<tr>
<td>Credibility</td>
<td>Less</td>
<td>High</td>
</tr>
</tbody>
</table>

*Figure 16.3.1, Comparison table between advertising and PR
Source: Surbhi, 2016.*

While successful media ad campaigns are certain, to get an editorial coverage can be challenging. By definition, editorials can’t be bought, unlike an advertisement, which
means the company has no control over the content. Although through press releases company’s can publish their product features from the promotional angle, still journalists are not too eager on commercially driven stories as they see them more like company propaganda. (Tench and Yeomans, 2014, p. 336).

Nowadays, in competitive markets, PR and advertising kind of merge together in a new way. While advertising is about paying and PR is about getting things done without having the paid mark which companies strongly dislike, PR companies tend to buy the media article placement for faster results instead of pitching and convincing. (Fox, 2017).

Clients want results fast, due to fierce competition, making it harder for professionals to keep up. Banks and other financial service companies and institutions are already using AI algorithms to do online trading because AI can perform better and provide faster results to clients. Since clients have too many options these days, it’s a matter of small things which make them turn to another service provider, pushing vendors to innovate and find new ways to perform better.

A lot of PR agencies nowadays simply buy media placements in the leading magazines to provide clients with faster access and a competitive edge. (Fox, 2017).

PR companies are usually well connected with multiple media outlets, and their strong media relationships provide an advantage to clients when it comes to getting media coverage. However, getting media coverage itself is not the primary role of a PR company. In the biggest picture, PR is about creating a powerful image of a brand and the way how it is seen in the public eyes. (Johnston, 2019).

A well-executed PR campaign can impress investors, build new client relationships, increase the company’s credibility, and even improve online search results. (Cutler, 2012). Hiring a PR company could be an alternative considering the cost comparison of commercial media and consulting; PR companies cost way less while delivering quite impressive results.
17. Taking advantage of media

We know by now the power of media and the impact which media can do not just on the government and corporations but also on regular people. Media has its advantages and disadvantages. For instance, media enables fast information flow, which makes people aware of the recent happenings such as weather conditions, dangerous situations, and various events in the city. Media can uncover scams, expose corruption, and government secrets to bring truth to the people. (Koren, 2019).

At the same time, the media can provide inaccurate information which can mislead people. Media can create an embarrassment for individuals leading to serious situations. Considering that today, cameras are placed pretty much everywhere, it also exposes people, and so leaked information can destroy one’s privacy. Additionally, since media can also be bribed and corrupted, people may not even realize when provided information to them can be a fraud. (Koren, 2019).

Knowing the secrets of media enables companies to create successful branding through media campaigns. One of the most popular channels for companies to brand themselves was Huffington Post, which shut down its contributor program at the beginning of January 2018 (Gerber, 2018). Huffington Post is a magazine which is valued and respected worldwide, and so companies used to approach magazine’s contributors and pay them to get a featured article.

Companies do media buying because it gives them control and power. Control to reach the target audience and power to spread their message globally and convince the audience of its promise.

17.1. Control

Six corporations control 90% of American media. These corporations are GE, NewsCorp, Disney, Viacom, Time Warner, and CBS, see figure 17.1.1.

![Figure 17.1.1, Six corporations controlling 90% of American media. Source: Lutz, 2012.](image-url)
In 2010, the revenue of these six corporations was $275.9 billion, which is $36 billion more than Finland’s GDP, see figure 17.1.2. NewsCorp actually owns top newspapers on three continents including the Wall Street Journal in the United States, The Sun in Europe and The Australian in Australia. (Lutz, 2012).

![Figure 17.1.2, Total revenue combined of six media corporations. Source: Lutz, 2012.](image)

The media business is an information business, and in the modern markets, information and data are as important as oil. Brands want to have control over how the public is perceiving them. By showing positive media coverage, companies can express their power in the markets which can directly affect not just single sales but also the investor relations and the stock price.

Media distributors always have significant influence over public opinion making substantial financial gains while cooperating with official leaders in politics. (Pavlik, 2008, p. 130). As media generally is seen as a public trust (Pavlik, 2008, p. 149), it also allows players with action plans to have an impact on the overall economy.

In the rules of marketing, Six Sigma stands for defining an issue, analyzing it, then later improving and controlling the process of it, so the problem won’t happen again. (Creveling, Hambleton and McCarthy, 2006, pp. 9-12). The control is the fifth and final step in Six Sigma’s DMAIC, and so the control step consists of Tools, Tasks, and Deliverables. (Creveling, Hambleton and McCarthy, 2006, pp. 224-225).

In the media business, tools stand for the company’s controlled content and access to media channels. However, tasks can vary depending on the media approach. If the approach is through a secure connection or in other words, controlled connection, then the deliverables outcome can be controlled by the company with satisfactory results. On the other hand, if the execution of media placement is done, for example, through media pitching where the company doesn’t have control over the content, the deliverables will be different.
Depending on more favorable results, companies often choose the controlled method which can involve media buying and at times bribing the journalists (Christian, 2017).

**17.2. Targeting**

Since media is accessible through various technology devices, the technology makes it easy for companies to target precisely specific categories of individual people and crowds. (Pavlik, 2008, pp. 35-36).

For instance, India has over 234 million TV households, which accounts for around 60% of the entire country's population. India has over 886 million mobile subscriptions at a 70% penetration rate, making it 3rd most extensive smartphone base in the world. 90% of Indians have access to the radio. There are over 195 million internet users and over 100 million social media users in India. Additionally, print media in India is, with over 62,000 daily newspaper titles. (Mytton, Diem and van Dam, 2016, pp. 221-224). Detailed information allows companies to target people through very precise strategies.

China is one of the largest countries to adapt to mobile phone usage as a communication medium widely, and so mobile advertising in China is seen as a huge opportunity to reach the audience quickly. Also, it enables media channel providers to increase capital gains as demand is huge for reaching Chinese audience through digital. (Spurgeon, 2008, pp. 64-65).

Despite broad access to consumers via technology, other measures can also be applied. Consider that in global markets, targeting local audience has never been as crucial as today. (Roberts, 2014, p. 69). For instance, in China, companies can reach specific niche consumers through retailers such as department stores, street-level stores, malls, grocery stores and supermarkets, hypermarkets, convenience stores, lifestyle stores, and other multi-brand retailers. (Chan and Zakkour, 2014, pp. 113-127).

Additionally, local targeting can also include a global audience. For instance, trade shows and seminars are attended by the international audience, and even if the event is happening at one location at a time, that location can include the multinational audience as well. (Ehrlich and Fanelli, 2012, pp. 135-144).

The most prominent social media platform in China, WeChat, enables users to do pretty much anything and so Tencent (the holding company of WeChat) owns all of the users' data which allows companies to target consumers on a particular level (Chan and Zakkour, 2014, pp. 173-177). Just like Facebook in the Western economy, social media enables advertisers to reach out to their target audience globally.
In the end, on the global scale, even when companies buy media placements from a journalist, companies undoubtedly select the most dominant and powerful channels such as Forbes and Wall Street Journal as these type of media represent wealth and power. Companies want to be a part of the power game, and so they target more prosperous audience through power media hoping to attract success. (Christian, 2017).

17.3. Global

TV series, The Walking Dead, was a great hit in the US, however since UK audience was not used to American style drama series it often meant that the show would have a break of two months in the middle of a season. This meant that fans could start losing interest in the show during that time, and so FOX TV did a campaign by launching a second screen application enabling direct engagement with the show and fast access to the fans. The campaign resulted in 62,000 people downloading the app and 300,000 game sessions; it was a success. (Ryan, 2014, pp. 201-205).

When Lufthansa launched the longest passenger aircraft in the world, Boeing 747-8, a high level of coverage was needed to generate awareness globally. Lufthansa did a campaign exclusively consisted of digital media. Lufthansa created construction kit consisting of individual 3D parts of the jumbo jet, and people had to a component, similar like in a puzzle game, and once completed they had a chance to win tickets for a flight. The construction kit was very entertaining, and it was kind of viral, bringing 10 million page views with an average of 7 minutes per session. One hundred fifty thousand people registered for the competition, and 42,000 people registered for Lufthansa newsletter. (Ryan, 2014, pp. 150-152).

Samsung had a challenge in the Middle East to introduce their Ramadan app through Facebook for Galaxy S3, so people would be able to send photos with Ramadan greetings on top of them. It was a simple campaign with no budget as the idea was to run the campaign entirely organically. The campaign included a landing page on Facebook and interaction with the Samsung app. Users were able to create photos and invite their friends for Iftaar/Suhoor. The campaign resulted in over 4000 users participation and 7,628 user visits to the campaign. Considering that the event was done with no budget, it was considered pretty well done. (Ryan, 2014, pp. 143-148).

In Spain, Volkswagen decided to run a Twitter campaign by engaging with a younger audience about new Volkswagen Polo and make the first trending topic on Twitter of the day. Volkswagen created a powerful hashtag #Polowers, and the campaign included tweeting jokes making it more fun and very engaging. It was a game through a Twitter API, where tweets moved the Polo car forward, and the last person to tweet when Polo car crossed
the virtual line, would win the car. Volkswagen did a big campaign, through TV commercials, printed ads, banners, billboards and branded content on major TV channels. The campaign resulted in getting 155,000 tweets in 8 hours at a rate of 5 tweets per second, and it reached 10% of Spain’s Twitter audience. (Ryan, 2014, pp. 167-173).

17.4. Compelling

To run a successful campaign (of a previous example mentioned above), Volkswagen knew they had to connect to their local audience in their own language, in order to provide the best online experience with fun and enjoyment. (Ryan, 2014, p. 174). When doing global campaigns in local markets, local language has a vital role as it gives more understanding to the audience as well as trust. In the end, the story becomes more available, having more reasons to engage.

In global markets, the general audience believes in the power, and for general companies and brands, power is about being exclusive. Sometimes it’s not the story itself that brings that exclusivity forward in the community but the source which the story comes from. As brands buy themselves in reputable media such as Forbes, Entrepreneur, Fast Company, The New York Times, and others, they place media logos in their own websites to show media coverage. It's not necessarily about the story itself, but the idea that big magazine is covering about X company makes that company exclusive and unique enough to get attraction from people. (Christian, 2017). See figure 17.4.1 of a media buying conversation.

![Figure 17.4.1, Twitter chat between media buyer and a reporter. Source: Christian, 2017.](image)

Also, see figure 17.4.2 of an email from a marketing freelancer asking for a quote.

![Figure 17.4.2, An email received from a PR agent. Source: Christian, 2017](image)
Media is a voice for business, and one of the biggest business in the world is war. The usage of media for propaganda purposes influence not just regular people behavior but also leader behaviors. For instance, spreading propaganda and exploiting media to send a message about nuclear technology of certain countries. These messages often turn into weapon business. (Manzaria and Bruck, 2019).
The challenge for good PR results while in budget: Lack of control

Today, there is a lot of content available on the internet, and the amount is only growing. However, even creative content doesn’t help much without advertising, because everybody is doing creative content these days, and so it makes it tougher to impress journalists. Considering that through detailed targeting companies had the best chances to get media coverage, yet when everybody is doing the same (detailed targeting), companies are forced to find new ways of getting attention. (Williams, 2017).

Common reasons why companies don’t get journalist attention is because companies contact the wrong journalists in the first place who are either not covering the specific section anymore, have switched between media jobs or are on vacation. Additionally, companies don’t do enough research before pitching a story to a journalist, meaning that even if a journalist is covering financial services, maybe he or she can be only covering about particular issues such as financial services in emerging markets and not necessarily global financial markets. (Finley, 2014).

However, the biggest challenge in PR is the lack of control. While advertising is all about control with guaranteed placements to push entirely positive side of a company, gained credibility is much less than it would be through PR, because advertising is considered as a paid promotion and PR is earned, not paid. (Surbhi, 2016). See figure 18.1.

Figure 18.1, Advertising vs public relations.
Source: Surbhi, 2016.
In PR, the company can pitch the story to media but has no control over the content, nor knowledge of how media is going to use that content (Surbhi, 2016). It also creates uncertainty, and some companies may not seem comfortable to interact with the media to avoid any negative publicity.

However, press releases give back the control to companies as companies can easily create their own content and distribute it to the media with guaranteed republishing on global media channels. (Vandermeer, 2017). It is not certain that the content will be published on the reputable media such as The New York Times or Forbes, but it will definitely be published somewhere, in the way companies want it to be published - content-wise.

Companies want the control, so they use press release distribution services, but there are also downsides of it.

18.1. The negative side of newswire services: Choosing control over quality

In the business world, a regular company has no access to big media whatsoever. Big media spends time only with big companies, and so small private companies are left out. Taking into account that differentiating from the competition is crucial for business survival, private companies are always looking for ways to get their brands pushed to the world by all means necessary.

![Figure 18.1.1, A cartoon of a brand going down when using press release distribution services. Source: pr.co, 2019.](image-url)

When there is no one a company can turn to for media access, the only option which is left is the newswire service provider. These companies offer the gateways to global media and not just any media but also the best and most influential media. (pr.co, 2019). See illustrated image of a brand using newswire services in figure 18.1.1.
Companies like Cision PR Newswire, Dow Jones Newswire, Business Wire, and PR Web provide fast mass press release distribution as a service which every private company (not public) dream of. However, the press releases that go through wire services are usually marked as paid promotion, and because of that results suffer dramatically. (pr.co, 2019).

Press release distribution through PR Newswire, a Cision company, has been one of the fastest ways for companies to get their message out to global media for many years now but it's not really working anymore. Even though the PR industry has been growing annually, yet old PR practices are not working the way they should. (Hankes, 2017).

When a press release is distributed through a mass distribution service like PR Newswire, it is no longer considered as unique news. Consider that reporters want fresh news and exclusive news to be delivered exclusively to them privately and individually before the story reaches the public. Additionally, journalists and reporters don't read press releases distributed by PR Newswire because it is considered as spam. (Hankes, 2017).

PR Newswire distributes press releases to multiple websites across the internet with a wire mark such as "via PR Newswire" making everybody aware its a paid content distributed to mass media and so these reasons alone kill the credibility of the entire press release. Also, the websites where press releases get published via PR Newswire usually have no traffic, possess very low SEO ranking and are just weak in general. As a matter of fact, getting distributed via PR Newswire can kill the brand's reputation. (Hankes, 2017).

For instance, see newswire mark sample of PRWEB in figure 18.1.2.

![Figure 18.1.2, A PRWEB newswire mark in the published press release.](image-url)

Additionally, PR Newswire service has a journalist Rolodexes allowing companies to create lists and do mass emails. PR Newswire Rolodexes are out-of-date since the data inputted is manual, and by creating a PR spam and sending mass emails of one story which suppose to be unique and meant for only one reporter, significantly reduces the chance of getting published because thousands of companies use the same Rolodexes and spam the same journalists over and over again. (Hankes, 2017).

18.2. Interview findings with PR Newswire ex-employee

To get more insights about PR Newswire solutions, a brief interview was set with an ex-employee of PR Newswire company. The interviewee’s name is non-disclosed in this research report due to the individual's privacy.

The PR Newswire's ex-employee agreed on the fact that clients do expect to get some exposure from major leading media when using PR Newswire distribution but that rarely happens especially for private companies because journalists are not the biggest fans of getting press releases distributed through mass media networks. Sometimes clients receive a call from media, but the overall PR results are hard to measure.

While PR Newswire provides extensive media distribution list to clients, the ex-employee didn’t feel confident in confirming in how many of the media channels from the list shown to the client, press release actually gets published. Even if PR Newswire doesn’t guarantee publications just the distribution, still having an extensive list of major leading news media gives false hopes for clients if the rate of actually getting featured in the press is extremely low.

The ex-employee confirmed that PR Newswire is best for doing a generic press release distribution, but if a company wishes to perform better, they have to reach and engage with media by themselves.

When asked if you would personally use PR Newswire for your own business or would you recommend it for somebody else, the ex-employee said that primary focus would be contacting media through private connections and only at the end use press release distribution services.

18.3. Interview findings with PR Newswire customer

Evgenia Shalenko is a Founder and CEO of Famous Intelligent PR. Evgenia is running a PR agency and helping clients to get local and international media coverage.

Access to certain media channels can be restricted to agencies, and pitching is tough and time-consuming. Evgenia notes that even for PR agencies, it's challenging to build media
relationships as journalists are over spammed these days and very busy. Of course, PR agencies have their own established network, but client needs are always different as some clients want media in the US, others in Europe and others in Asia. It makes it difficult sometimes to provide clients to their requests.

In 2018, Evgenia used PR Newswire as a tool to get access to international markets. Clients wanted certain positioning in certain media of a specific country, and one of the cheapest and fastest way while still controlling the content is press release distribution. Last year, Evgenia used PR Newswire distribution services 11 times while each distribution cost between $900 to $2600.

As a matter of fact, PR Newswire pricing varies based on region. While in Asia Pacific press release distribution could go for as low as $400, in Finland the same press release can go up to 3000 euros and more.

Evgenia used PR Newswire 11 times, yet most of the times the press release was published on lower end media, in PR language, lower end media is called tier 3 and even tier 4.

According to Evgenia, the results of the PR Newswire press release distribution service were not too satisfying for the client's company. Of course, clients get excited when they hear that their press release will be distributed to US media, which includes Bloomberg and Wall Street Journal, but that is not usually the case. Even if the release lands in Bloomberg reporter's email, it is improbable it will even get opened because these press releases are marked with a PR Newswire service mark and reporters usually don't like mass distributed content. In the end, the press release lands on an average or below averagely ranked website with low traffic or no traffic, making the client's brand look cheap.

Evgenia mentions that PR Newswire could be useful if the goal of the release is to get many links as PR Newswire reposts content on many websites however if the client is looking for a reputable media, PR Newswire can't provide such results.

However, today, news releases published online through newswire mass distribution have almost no effect on search engine optimization. For years now, leading search engines have changed their algorithm disabling the effect of backlinks to the company's website from the news release. (Willaman, 2015).

Additionally, the news will unlikely show on search results in the first place, unless reader would put the whole headline of the article to the search, but people don't really do that, as news is usually discovered through relevant content and other news. (Willaman, 2015)
The journalist doesn't read newswire distributed press releases unless they are subscribed to it, but that's very uncommon in the industry. (Willaman, 2015).

Typically, companies using newswire services expect to land a press release published on websites like the Wall Street Journal, but that is not really a case for private companies. As mentioned previously in this research report, publicly traded companies have best chances to get their press releases published on reputable media because sites like WSJ, Thomson Reuters, and CNN are actually obligated to publish press releases, however only those which are linked with a publicly traded symbol trigger. (Conner, 2013).

18.4. It's all about connections and its expensive, professionals agree

Regardless of industry, connections are always key to success. If the company is selling tires and if the manager has a good relationship with the tire manufacturer, he can reduce the cost of production and increase profits, and so if PR consultant has a connection to a journalist in media, it is as simple as that - using each other for favors and benefits. (Conner, 2015).

This section also includes comments from media agency CEOs about the advantages of having a journalist connection in your personal Rolodex.

According to Ilya Romanov, who is a CEO at Crypterius Agency, mature companies should maintain relationships with leading media within their field and business publishers in general. This increases the chances of getting approached by journalists themselves for asking comments when writing a specific article. And of course knowing the journalist personally allows you to push content directly and this increases the chance of getting media coverage for a client.

Based on Karnika's E. Yashwant opinion, who is a CEO at KEY Difference Media, PR, unlike most think, is not something that can be packaged and sent over. It needs personal involvement, thinking, strategy, and execution. It can act as a reliable driver to business or just something we do because others do it. Having a personal connection to media publishers not only gives powerful insights, ideas, and directions but also makes our lives easier when launching a PR campaign. Journalists can see angles to a story in more ways than a business owner himself who is fully involved in his own business. A journalist can help to leverage the story angle into a viral success. Some of the biggest brand success stories in history have started with an idea of a journalist who looked at a product or service or a company very differently than the rest. If a journalist is a friend, it's a valuable relationship there.
PR agencies usually have strong relationships with journalists and reporters, and agencies do deliver the unique media coverage that companies desire; however it can be pricy. Agencies typically try to get clients on long-term contracts with expensive monthly retainers and because PR activities can include many factors from content planning and media strategizing to media negotiations and global media placements, meaning a lot of consulting work always goes for a higher price tag.

The main benefits of hiring a professional PR firm is to get a proper campaign implementation, media contacts, and full-time efficiency and effectiveness. PR professionals know how important it is to get the first media impression count the most, and they do have the best contacts in the industry. Also, professionals can generate publicity fast since they know all the shortcuts, ups, and downs, and so the job gets done quicker and better. (Brabender, 2009).

Unfortunately, not all companies have budgets to spend, and so companies are open to new disruptive technologies within the budget to find new ways of reaching media and getting media coverage. (Hankes, 2017).

18.5. No media can mean no business: Interview findings with Jared Polites, Marketing Consultant

Everything in business depends on visibility and awareness, and so media as marketing activity must be every companies' strategy plan. For instance, Netflix uses media channel such as The New York Times to spread the message and increase awareness for new films, and Oreo prefers social media channel to feature their cookies. (Thompson, 2019).

Jared Polites was a head of marketing at Crypto Media Group and currently working as a marketing consultant at his own firm. Jared has consulted over 60 blockchain companies going public. His biggest client was a company called Elastos, which raised around $80 million in funding.

Jared said that when it comes to raising capital online and building a brand in general, PR campaigns are absolutely required. A lot of crypto companies going public didn't succeed in raising funds simply because they were ignoring the need for marketing and PR.

According to Jared a lot of companies think that their product or a service is unique and even if it is, it doesn't mean that clients and investors will start knocking on doors, because in reality regardless of how good is the product, nobody will knock on the doors unless they know about you, have heard about you and most importantly trust you. This is branding and it involves building awareness and trust, and these features are only accomplished through professional marketing campaigns and media support.
Considering that media is the channel to spread the brand's promise and it's offer, and media stands for every communication channel, including social networking sites, blogs, regular online magazines, broadcast, etc. And so every marketing campaign can't succeed without communication channel - in other words, no media means no business.
19. A better solution for reaching out to media with guarantees

Public relations has always been a people-driven industry where relations, friendships, connections, and networking matter. During the years, PR has been left pretty much unchanged even when the whole world went digital. Due to the lack of technical support, PR results may not be as effective these days as they once were or at least should be. (Hall, 2017).

While marketing has been innovated through various new digital solutions including AI, automation, SEO and improvements in CRM, yet PR and media relations have not been truly innovated since the creation of electronic press release distribution system. (Hall, 2017).

As a matter of fact, PR might be the only industry which involves most of the time real people interaction and relationship building rather than relying on technology; however, PR industry as a whole could advance to the next level if technology could be utilized in a smart way complementing PR professionals’ work. (Hall, 2017).

19.1. Managing clients expectations within the current system

Most clients think that PR stands for full page coverage on TIME magazine or Washington Post, but that’s not how it really works. Magazines and newspapers have their own special audience, and they have to provide specific content to that specific audience and so certain companies or individuals may not even fit for an advertorial if the client’s industry and magazine’s coverage don’t match. (Gerber, 2018).

When it comes to client relations in PR, client should either in-house or with a help of agency define certain parameters such as what media outlets could be relevant, what media outlets could be the best to maximize the outcome, defining return on PR investment and understanding that PR performance measurements can be different from a typical marketing campaign as PR on a bigger picture is much more than publicity adding overall value to the brand’s equity. (Porter, 2009).

Traditional electronic press release distribution expectations should also be reconsidered because there are no guarantees whatsoever to land a press release or get unique coverage on a certain media. See figure 19.1.1 for traditional press release distribution system.

Note that payment is done at the beginning of the process. Also, note that clients are not able to select media of their choice and so decision making whether to use this service or
not is based on the promise of the full list of media distribution package which often involves world’s best media which in PR language is called as tier 1.

There is a difference between client type, whether its a public or a private company. Note that public companies get automatically published in tier 1 media while private companies do not, meaning the world’s best media doesn’t cover private companies through the current PR system.

Also, note that journalist typically ignores mass distribution press releases, which leave no hope for a private company to get coverage in tier 1 media.

However, imagine a system which could predict the outcome, enable clients to choose a particular media channel, and give the content control back to the client.

19.2. **Targeting specific media channels with guaranteed publishing: An improvement to the current system**

In the earlier sections of this research, it was covered that companies often choose control over quality just because control is really important for companies as it gives the ability to manage how the company is being perceived publicly. Consider that public image can affect the company’s performance drastically.

See an improved digital solution in figure 19.2.1, enabling clients for smoother customer experience and yet being in control of every throughout the entire process.
Clients are able to see the full media list and also select a particular media channel of interest. Clients can see available media formats for the selected media channel. It doesn’t have to be only press release, but it can also be an article or an interview type of publication format.

Note that only after passing the content validation with staff, the payment is done in the very end. The client has the control over the media selection and the content, and only after a client agrees on the final content and media selection, then the client makes the payment which makes it risk-free as the client already knows the potential outcome of the process.

**19.3. Stankevicius Interactive Media: Product development and logic**

As PR agencies very often have an extensive network of journalists in their Rolodexes, using a technology solution to connect journalists to clients digitally, yet without spamming within media ethics and respect, is a solution which could solve many issues in the PR industry.

Stankevicius is a PR and advertising firm which focuses on helping clients to build a powerful brand image through various campaigns which have a direct influence on investors decision making in public share trading of the client’s company.

Stankevicius Interactive Media is a product of Stankevicius Middle East Limited company which serves clients with a variety of media options for different industries.
To understand how the product is developed and what logic it is using start by following figure 19.3.1.

First, the company (Stankevicius), creates a custom database of journalists and third party publishers who have publishing access rights to the media site. Each journalist and publisher have their own topics they write about, and so this information is displayed in the system for clients to see. All publishers also gain login access enabling them to put the recent information about the content they are looking for to publish and the required format of the content whether its an article, interview or even a press release. Clients can see available media offers when logged in.

To diversify and increase media offering agencies are also invited to participate in the system following figure 19.3.2.

Company (Stankevicius), research and connects to various PR agencies from different industries and provides them with login access to post media offers to clients. Considering that each agency brings new media contacts, the value of the platform increases. Clients can then see available media offers from agencies when logged in.

The overall structure of the platform is to put all of the decision making parties into one process which benefits end client the most by providing variety of options, and control. See figure 19.3.3.
The company (Stankevicius), connects journalists, third party publishers, and agencies to provide media variety, giving back the power of control in media selection and content to the client.

19.4. Stankevicius Interactive Media: Faster, cheaper, better

Considering that PR firms are expensive but highly efficient, adding a technology solution, in-between can make a PR firm more affordable to more companies still while delivering high performance. It can be argued that press releases are better and more efficient for smaller companies with low budgets; however, a solution to provide better than average is missing in the industry and is needed by many companies.

There is a concept of an Iron Triangle which makes people choose. Whether get something done quickly, high quality but expensive to do, or get something done quickly, cheaply, but it will lack in quality, or get something done in high quality and low cost but it will take a while to get it done, see figure 19.4.1. (Swisher, 2017).

Building products with Lean Startup Methodology and applying lean processes is the modern way of how smart companies work in competitive markets. Having small teams,
yet executing at fullest, building fast MVPs to test the markets and get first reactions, then improving those MVPs quickly and testing them again makes a well-researched need become a well designed and developed product. (Swisher, 2017).
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20. Conclusion and discussion

There are many particulars in the company. Those particles include subjects like employees, brand, product, sales approach, client management, investor capital management, and others. These particles act like parts of the company, which make the company run. Still, just like a car requires fuel to run, the company requires people, and fuel for that is communications.

Communications is a much broader concept than one may think because if fundamentals are not strong, the house will collapse. For instance, if the company’s staff is undervalued and not supported, their performance will affect company’s product and service quality, and so it will affect client relations which eventually will lead to revenue loss.

While investors care about profits and numbers, they also care about other non-financial subjects such as talent, vision, idea, and mission. Surely, if the revenue is falling, investors interest may also fall and shares could lose in value, but if company communicates with investors the right way even during the crisis, the losses could stay minimal. At times, a crisis is not entirely about losing; sometimes, it can also lead to an unexpected victory.

20.1. Conclusion: PR as a way to tell a story

In this research, the correlation between public relations and investor relations was examined. Public relations is considered an important element for companies dealing with public affairs, which include external parties.

Public relations can influence processes and results when dealing with different companies in different industries between different countries and religions. Public relations play a significant role in the time of crisis.

For instance, an American oil import company has breached contract terms with the Middle East oil supplier. This event led to a slight increase in oil price per barrel. Due to the increased expense, the American company also had to increase the local oil price in the US, and because of that, some of the local clients were not able to buy oil at the new price causing XYZ issues for their local communities.

In the above-stated example, there are many events causing issues in local US communities. How those issues are solved is up to American oil company’s management, because they were the ones to breach the contract terms with the Middle East. Why should American oil company care to fix the issues? Because their reputation and company’s values are at stake.
Since this event is global between the US and the Middle East, media coverage is un-
avoidable, and since it was the US company who breached the terms, the fault falls on
their side. Whenever something happens, media is the first to know, and news can spread
at the speed of light. Even if the news is not accurate or misleading, as long as they are
news, media will distribute that information worldwide.

In public relations, media management is the core part because it controls the global au-
dience. Through local events, it is possible to create an impact on hundreds of people at
once, but through media networks, the entire world could be influenced. Media acts as a
global communication channel, and so companies can utilize this channel to inform the
public and make announcements.

An American oil company, in this case, can use media to tell their side of the story and
justify the actions they took. Maybe the reason to breach the contract with the Middle East
oil supplier was a necessity in the first place to achieve something more significant for the
long-term, or maybe Middle East supplier pressured American company. Public doesn’t
know the truth of what really happened, but American oil company can use media to tell
that truth or even a lie, however in the end, since media holds the power of influence and
many people believe in news, companies can take advantage of media and tell the story
angle which benefits them the most, at times even manipulation is unavoidable.

This is where the PR department in an American oil company has to make a decision on
which type of story to tell the public and what consequences will follow after that.

20.2. Conclusion: The good, the bad and the ugly media relations

Like for any company, protecting its brand identity is crucial because it represents values
and trust. Using media, companies can create brands the way they want to. Consider that
PR is about communication between the company and the stakeholders including entities
like government, actual shareholders and the media whereas the media is an independent
party which can either kill a company or make it huge.

A lot of companies these days come up with new innovative products and services. Still,
sales and client acquisitions are challenges that every company has to go through. It can
be tough at times to create that perfect sales and marketing strategy to get clients and
investors. When a company has a ready product or a service and is either looking for
clients or investors, the company is at a temporal stage, and the next step is a success or
failure.
The huge competition requires cheaper and better solutions, and at the same time, clients and investors become more demanding. This can be a stressful rollercoaster for the management to overcome these issues, but media can help.

Companies can distribute information about their product and service through media channels. There is a vast variety of media networks available at reasonable costs allowing companies to reach specific audiences through detailed targeting systems. Media can genuinely help companies to stand out and differentiate.

For instance, a financial service company is launching a new electronic trading technology solution. The goal is to advertise the platform and get registered users. By organizing a media campaign, the company can target a specific audience within the financial sector to promote their product. A company can also land an editorial media coverage in a reputable finance magazine such as Financial Times when connecting to journalists by pitching the new innovative electronic trading platform. If the product is really good, it will catch up fast, and news will spread from local to global in a matter of days. Of course, if the company has the budget for large campaigns, by investing more, the company can approach the global audience from the very beginning.

Unfortunately, sometimes, when smart people sit together and talk about business expansions, ideas can be pretty wild, and as long as the strategy can bring more enormous profits, at times people choose different paths.

For instance, a technology company A wants to expand by buying another technology company B. In this case, media could be used as a tool to destroy one’s reputation and maximize the power for another. Since rumors, hoax, and fake news are kinds of a trend these days, even though professionals are capable of distinguishing real news from fake, it is still difficult to avoid confusion for regular people which makes the majority of the current consumer market.

Scenario A: By releasing a negative hoax, rumour or even fake news to manipulate and damage company’s B reputation, company A can perform an offensive M&A takeover with minimal costs of the acquisition due to damaged brand of the company B. Company B will be left with no choice than to sell their business at a lower price to avoid further public scrutiny.

Scenario B: If the acquisition was meant to be private, company B could release a rumor to the media about the acquisition and its valuation. If the acquisition was public, company B could release a rumor or hoax about a second acquisition offer at a higher valuation. Even though large risks are at stake, this event could lead to a significant increase in the overall company’s valuation forcing company A to pay more than initially proposed.
Now, these PR actions are mad strategies, but they still count as strategies, and they are possible scenarios. A lot of companies today come up with manipulative ways to overtake each other and stand out by using media as a tool to connect to the audience. Of course, the media is not meant for manipulations, but because we live in a world where money represents power, this often allows creative players to have more control in their side of the story.

20.3. Conclusion: Media attention is not easy to earn and its expensive

Knowing the power of media and its capabilities is one thing but to actually execute an influential event with an effect and impact on global markets or even local is very hard and requires recognition, capital, trust, and strong brand. The companies which get the most out of global media relations are public companies or at least well branded private companies, just because they are already known in the industry and have a follower base.

It doesn't mean that a new private company can't create an impact, they surely can, but it will require a bigger cost as expenses will be much more significant. Since public relations is about people, personal connections, and favors matter, by being in the industry a long time enough, the company can establish a certain network which can support its actions. For instance, companies doing business for five years may have existing journalist connection which makes it easier to release a story to reputable media while new companies such as small businesses and startups which are in business for just around two years may not have yet established that type of relationship with media.

So it is difficult and expensive for smaller players to have their message spread and delivered. For instance, years ago, social media was a powerful tool to reach the audience, and it still is, but due to the increase of companies using social media, it became more difficult in targeting and much more expensive to reach that particular audience. While in the traditional media space where magazines, newspapers, and television takes place, these channels require millions in budget to create minimal awareness. Large corporations spend billions annually for media advertising to reach to their audience, which means that small companies are sort of doomed and left with minimal options, just because it's too expensive.

There are ways to get to media coverage at affordable costs using various press release services and regular media pitching, but there are still struggles and difficulties which have not been innovated for years.
20.4. Solution: Stankevicius Interactive Media platform

At the end of this research, an alternative technology solution to get guaranteed media coverage was introduced.

The current methods and processes, such as using mass media distribution networks, are not working anymore. Journalists are busy, and the press release distribution done via PR Newswire, or any other newswire service doesn’t help much for private companies. Public companies, on the other hand, have more chances of getting published in the leading media channels because the leading media is simply obligated to publish public company releases in the first place. Still, that doesn’t give any benefit to private companies.

Stankevicius Interactive Media solution provides private companies with direct access to journalists and third party publishers through an extended agency network. As mentioned in this research, PR agencies have an established journalist network through which agencies provide media coverage for clients at high costs, however, the process is manual and by automating the process through a technological solution, reduces the cost for the agencies, and makes the service too more affordable for clients.

Stankevicius Interactive Media platform is a network of private journalists who are looking for stories, and most importantly, they guarantee publications. The system is advanced, and spamming is not possible. When a journalist receives a note that there is a client with a story, he will pursue that story with a guarantee.

20.5. Discussion: Influencing investor relations through people

In the introduction of this research, I wrote that business is about people and that people are the decision makers of pretty much everything that surrounds us. I also wrote that the answer to the question might not be as direct as one may think or assume.

Investors are decision makers, and throughout the company’s lifecycle, there are special stages where peoples’ decisions are extremely important. When the company starts selling and getting clients, that is when the first decision of external individual will be made and determine if capital will go to the company or not.

The other stage is when the company raises funds and needs capital for growth, product development, and survival. The capital raising can be done privately through angel investors and venture capital, and at some point the raising will have to be public, meaning initial public offering or other ways such as doing a reserve merger or doing the new crypto way. In the end, still the same principles apply, and those principles are to convince other people to believe in the company enough so that they would put money in it.
In order to convince, many methods could be applied, but the most powerful ones are done through public relations and most importantly, through media. At the end of the day, it all happens through people, because the company will communicate with someone or somebody and media will distribute information to someone or somebody, and those someones and somebodies will be the ones influenced by the company’s message, and they will be the ones who give opportunities to companies.

This is the scarcity part of economics when people feel that it is a good opportunity to go in. But the beauty of the structure is that by understanding how it really works, companies can create the scarcity themselves and be in complete control.

A lot of individual entrepreneurs, regular people, and even companies create many new things, but those things never get to see the light because they are never adequately introduced to big enough audience to determine whether this is a good offering or not. Some creations may actually be, but if nobody knows about them, it is impossible to break through and make it big. Media is a solution to spread that message about the creation, and it certainly has the power and ability to do so, but its not easy and its not cheap, and that's why I introduced a new solution which is more economical and better to get to media and help smaller parties get the piece of the media coverage pie.

20.6. Discussion: What could be done next

This research covers the importance of people from the very beginning of business existence. The main idea of this research was to cover three sectors; investor relations, public relations and media, and see what each sector represents, what it does and what it can do, how these sectors interact with each other and how they should or could interact, and how to take the best of public relations and media and use them in ways to get the best out of investor relations.

Even though this research covers many details about each perspective, still more could be done when analyzing the relationship between the mass media network distribution providers and their clients. This research briefly covers the relationship between the client and the provider, such as PR Newswire. Knowing that the service has flaws, and many clients don’t realize that they actually jeopardize their brands using press release distribution services, there is a clear need for analyzing the matter more in-depth.
Appendix

In context to this thesis the following terms have the following meaning:

**Amateur Investor** - Amateur investors participate in investing for various reasons such as unemployment and retirement, and they are motivated by emotion (TheFreeDictionary.com, 2019). Amateur investor's primary source of income does not come from investing. (InvestorWords.com, 2019).

**Angel Investor** - A high-net worth individual who provides capital for entrepreneurs and small startups. (Investopedia, 2019).

**Branding** - A process of creating a unique name and image for a company, product or a service mainly through advertising. Branding aims to establish a powerful and exclusive presence in the market that attracts customers. (BusinessDictionary.com, 2019).

**Board of Directors** - A board of directors are elected individuals representing the shareholders. Public companies must have board of directors. (Investopedia, 2019).

**Chief Executive Officer (CEO)** - A top executive at a company responsible for the overall company's operations and performance. CEO is the leader of the firm. (BusinessDictionary.com, 2019).

**Chief Finance Officer (CFO)** - The most senior executive responsible for the company's finances. CFO's tasks include all accounting functions such as credit control, budget and financial statement management, fundraising, monitoring expenditure and liquidity, managing taxation issues, reporting financial performance to the board and providing latest financial data to the CEO. (BusinessDictionary.com, 2019).

**Client** - A customer or someone who received services. (Dictionary.cambridge.org, 2019).

**Client Acquisition** - A process of getting new customers for business or converting leads into new customers. (Managementstudyguide.com, 2019).

**Commodity Trading** - Commodity trading is when goods such as wheat, coffee and sugar are traded instead of stocks. Trading is affected by demand and supply. (InvestorWords.com, 2019).

**Competitive Market** - When a large number of vendors compete with each other to provide services to large number of customers (Economicsonline.co.uk, 2019). Competitive market raises competition which often leads to innovation in order to differentiate.

Corporate Communications (CC) - Corporate communication department is also known as public relations or public affairs (Lexicon.ft.com, 2019). Corporation communications also referred to as CC (Podnar, 2015, p. 4). CC department oversees all corporation's communication including media relations, internal and external communications, crisis communications, reputation management, investor relations, government relations, corporate responsibility and marketing communications. (Lexicon.ft.com, 2019).

Crowd Control - Activity of controlling a crowd. (TheFreeDictionary.com, 2019). While crowd usually means large number of people.

Global Business - A business that operates in different countries (Dictionary.cambridge.org, 2019). A global business is an organization that has business activities around the world (Reference, 2019).

Global Media - Global media is a media network with a nature of global geographical reach in terms of reaching out to people around the world. (Olausson, 2011).

ICO - An Initial Coin Offering (ICO) in the cryptocurrency space stands for an IPO in the mainstream investment world. ICOs act a way of raising funds by providing a new coin (digital currency) for investors in exchange for fiat currency. Investors then wait for the coin to get listed on crypto exchanges and hope for an exceptional ROI performance. (Investopedia, 2019).

Investor - An investor is a person or an entity who commits capital with the expectation of receiving financial returns. Investors use their capital to invest in order to grow their money. (Investopedia, 2019).

Investor Relations (IR) - Most of the medium and large enterprises have got an investor relations department which provides investors with an accurate information about company affairs. This helps investors in buy and sell decision making of company's publicly traded stock. Investors relations department provides key information to investors that allow investors to determine if the company is worth to invest in. (Investopedia, 2019).

Investing - An act of committing capital to a project with an expectation of getting a return with additional income or profit. (Investopedia, 2019).
IPO - A process when a private corporation offers shares to the public for the first time is called initial public offering. Some may refer to an IPO as "going public." (Investopedia, 2019).

Media - Media includes every communication channel through which various data and information is distributed through. These communication channels include mediums such as newspapers, magazines, TV, radio, email, internet, etc. (BusinessDictionary.com, 2019).

Media Pitching - A media pitch is a brief interaction with a journalist or editor at a newspaper, magazine, TV or other media channel, to get media interested in a story so they would publish it. (Smallbusiness.chron.com, 2019).

News Wire Service - An online news service that delivers the latest news via internet to the media. (Collinsdictionary.com, 2019).

Partnership - A format agreement by two or more parties to manage business and share its profits (Investopedia, 2019). Parties usually put together money, skills, and other resources and share profit and loss in accordance with terms of the agreement (BusinessDictionary.com, 2019).

Public Company - A company which that issued securities through an IPO and its stock is being traded at least on one stock exchange. (Investopedia, 2019).

Public Relations (PR) - PR is about creating and maintaining the best public image of an organization through publicity and other forms of public communications including various support activities such as charities and education. (BusinessDictionary.com, 2019).

PR Consulting Firm (PR Agency) - PR agencies help clients to get editorial coverage known as earned or free media in various media channels. Editorial coverage does not have any advertising, sponsorship or paid media marks or tags. Editorial coverage is an opposite of advertising. (Wynne, 2019).

Professional Investor - Professional investor's job is investing for a living. A professional investor invests for themselves or a financial organization. (Lexicon.ft.com, 2019).


Shareholder - An individual or organization that owns one or more shares in a company. (BusinessDictionary.com, 2019).
Stock Trading - Activities of buying and selling shares of publicly-held companies. (Investopedia, 2019).


Venture Capital (VC) - Venture capital is a type of financing which comes from private investors, investment banks and other financial institutions. VC financing usually is provided to startup companies and various businesses that have potential growth in the long term. (Investopedia, 2019).

Volatility (in the stock market) - Volatility in the stock market is the range of price change a security experience over a certain time. (Investopedia, 2019).
References

Appendix Sources


**Book Sources**


Internet Sources


