

# Marketing analytics that points to the future of IR

‘Intent data’ has become an important area of analytics for marketing teams as they fight to win a competitive edge. **Charles Hamlyn** argues that it is also the logical next step for IR programming.

The marketing world is a far more dynamic environment for product innovation than we see in the comparatively conservative field of investor relations. This is a shame, but it makes sense. Marketing is a much bigger industry and critically, it drives revenue, which inevitably attracts investment.

Nevertheless, the two disciplines have plenty in common, not least the need to identify potential buyers, as well as establishing and nurturing the interests of key stakeholders. As such, there is much that IR can borrow from the innovations that help its bigger and better-funded cousin to leverage resources more efficiently. Right now, marketers are excited about the potential of ‘intent data’. And so are we.

What is intent data? Put simply, it is information that indicates a likely interest in making a purchase – or investment. In a marketing environment this includes a multitude of online activity data, as well as direct response information such as opt-ins, reviews and feedback, all of which is combined for analysis. The purpose of intent data is to



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equip sales and marketing teams with the ability to influence buyers’ decisions (ahead of the competition) or to help account managers to maintain and grow their accounts.

The upshot is something that would appeal to any IR team: efficient segmentation of existing and prospective relationships, in a way that is designed to drive more targeted interactions with more relevant messaging. The question

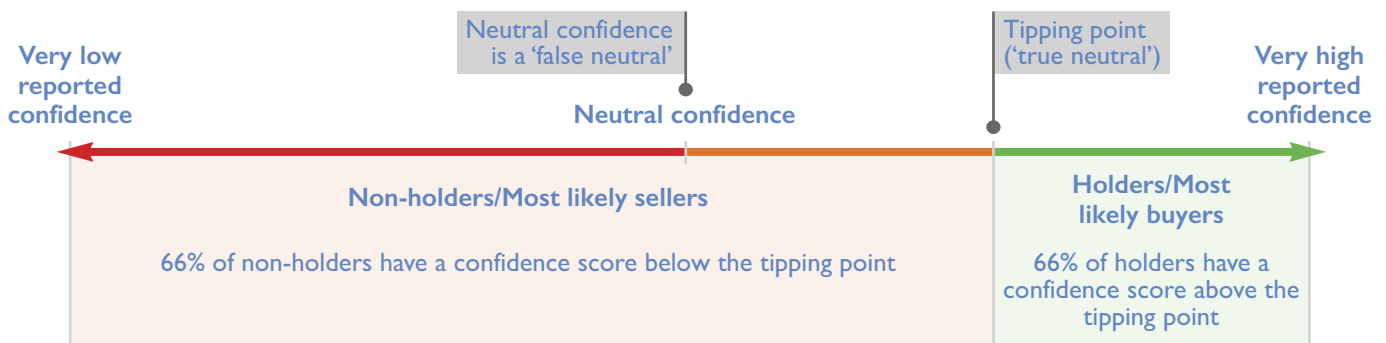
is, what could constitute ‘intent data’ for institutional investors?

### Equivalence for IR

Firstly, let’s put peer ownership data to one side. For one thing, this sort of historical data is a poor indicator of future intent. For another, investor targeting that is overly focused on identifying fund managers who are underweight or not invested in a company is mostly a bet on these individuals having made an oversight. In reality, a significant proportion of these investors will be underweight for a considered reason that is very probably beyond your influence.

Intent data offers a different way for IROs to think about which investors to engage with and is naturally predicated on one of two things. Either it confirms a current interest in your company, or it is information that is derived from a correlation with investment behaviour. Whilst neither can prove an intention to invest, both help to identify individuals who are more (or less) likely to do so. This is a logical step forward; after all,

Investor feedback can provide a good indication of which investors are most likely to buy or sell a company’s shares



QuantiFire has analysed feedback from over 5,000 institutions against company shareholdings.

which is a better indicator that someone is likely to invest in your company, a confirmation of interest or a decision to invest in your competitor?

**Sourcing IR intent data**

So, how do you source these two types of intent data for IR? The first, confirmed interest, can be obtained in several ways, beyond opening positions on your share register. Individuals who register to attend your events or webinars, or who request meetings, or opt-in to your distribution list are all ‘confirming interest’. Campaigns that seek to solicit this interest add immediate fuel to the fire. Similarly, as we have recently seen with one of our clients, analysis of web-log data from the corporate website can be a very revealing source of investor interest.

Intent data that is derived from investment behaviour is less common and more difficult for most companies to obtain. This is because it requires a correlation analysis of at least two data sets: share ownership data (to capture

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investment behaviour) and a second data set which can be verifiably correlated with changes in share ownership data ...

This second data set – and where we have found clear correlations with investment behaviour – can be found in investor feedback. This obviously necessitates investor feedback being

produced ‘as data’ in the first place, but for those companies that are doing this, the relationship between investor confidence and investor behaviour is as striking as it is predictable. Quantitative investor feedback is proving to be a very good source of intent data for IR, as it is a highly effective way of identifying the most likely buyers and sellers of a company’s shares.

**Competitive edge**

Marketing departments are aggressively developing and utilising intent data to better identify potential buyers and to nurture the interest of current and prospective customers. It is an exciting field of data analysis and although the concept is still new for IR departments, teams that embrace digital engagement programmes which yield intent data will undoubtedly benefit from identifying equivalent opportunities within investor communities. Early adopters of this not-so-new approach should also enjoy a significant edge in the competition for capital. ■

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