Perspectives on Internet-based IR communication and corporate reputation: Case KONE Corporation

International Business Communication

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Perspectives on Internet-based IR communication and corporate reputation: Case KONE Corporation

Objectives: The main purposes of this study were to reflect KONE Corporation's Internet-based IR communication practices upon industry conventions, other companies' corresponding practices and internal and external audiences' perceptions, to examine how the company could capitalize on social media services and new mobile technologies in its IR communication activities, and to investigate how KONE's Internet-based IR communication practices influence KONE's relations to its stakeholders and the company's corporate reputation. Additionally, the study presented some potential future trends and focal areas of IR communication.

Data and methods: The study utilized the following three data sets: selected parts of KONE's Internet-based IR communication practices, selected parts of five other companies' Internet-based IR communication practices, one focus group with KONE's IR representatives and four semi-structured interviews with external audiences. The first two data sets were examined through qualitative content analysis. The outcomes of the focus group and semi-structured interviews were in turn first translated from Finnish to English, and all relevant excerpts were then presented in the findings. Thus, multiple data types were used and different aspects taken into account: this increased data triangulation and enhanced trustworthiness of the study. KONE was chosen as the case company as it is a global organization that practices extensive Internet-based IR communication.

Findings and conclusions: The study revealed that even though KONE's Internet-based IR communication practices were generally well in line with industry conventions, there were numerous issues related to usability, clarity and contents of the company's Internet-based IR communication that could have been improved. The study also suggested that the case company would benefit from harnessing new mobile technologies for IR communication purposes. Even though social media services were not regarded as relevant for KONE's IR communication activities at the time of the study, the company should nevertheless follow trends on a regular basis and adapt accordingly. Finally, KONE's corporate reputation was considered strong throughout the study. IR communication was regarded as an important contributor to KONE's corporate reputation, as the company operates in a business-to-business environment. The role of Internet-based IR communication as a crisis management tool was especially emphasized. As crisis situations can pose serious risks to corporate reputation, the importance of IR-specific crisis communication plans was stressed.

Keywords: International Business Communication, KONE, investor relations communication, IR communication, the Internet, corporate reputation, social media, mobile technologies

Näkökulmia Internet-pohjaiseen sijoittajasuhdeviestintään ja yrityksen maineeseen: Case KONE oyj

Tavoitteet: Tämän tutkielman pääasiallisina tavoitteina oli verrata KONE oyj:n Internet-pohjaista sijoittajasuhdeviestintää (IR-viestintää) yleisiin IR-viestinnän käytäntöihin, muiden yritysten vastaaviin viestintätoimiin ja ulkoisten ja sisäisten kohderyhmien näkemyksiin. Tutkielmassa kartoitettiin myös KONE:en mahdollisuuksia hyödyntää uusia kannettavia teknologioita ja sosiaalista mediaa yrityksen IR-viestinnässä sekä sitä, kuinka Internet-pohjainen IR-viestintä vaikuttaa yrityksen ja sen sidosryhmien välisiin suhteisiin ja yrityksen maineeseen. Tutkielma esitteli lisäksi joitakin IR-viestintään liittyviä potentiaalisia tulevaisuuden trendejä ja näkymiä.

Aineisto ja tutkimusmenetelmät: Tutkielman perustana oli kolme erilaista aineistoa: valikoidut osat KONE:en Internet-pohjaisesta IR-viestinnästä, valikoidut osa viiden muun yrityksen Internet-pohjaisesta IR-viestinnästä, yksi fokusryhmähaastattelu KONE:en IR-osastolla työskentelevien henkilöiden kanssa ja neljä semistrukturoitua haastattelua yrityksen ulkoisten kohderyhmien kanssa. Kahta ensimmäistä lähdeaineistoa analysoitiin kvalitatiivisen sisältöanalyysin avulla. Haastatteluiden tulokset sen sijaan käännettiin ensin suomesta englanniksi, ja relevanteimmat otteet esitettiin tutkimustuloksissa. Näin ollen tutkielmassa hyödynnettiin useita erilaisia lähdeaineistoja ja näkökulmia: tämä lisäsi omalta osaltaan datan triangulaatiota ja tutkimuksen luotettavuutta. KONE valittiin tutkielman case-yritykseksi, sillä kyseessä on globaalisti toimiva organisaatio, joka harjoittaa kattavaa Internet-pohjaista IR-viestintää.

Tulokset ja johtopäätökset: Vaikka KONE:en Internet-pohjaisen IR-viestinnän tulkittiin yleisesti ottaen olevan hyvin linjassa yleisten IR-viestinnän käytäntöjen kanssa, tutkielma identifioi lukuisia Internet-pohjaisen IR-viestinnän käytettävyyteen, selkeyteen ja sisältöön liittyviä parannusehdotuksia. Tutkielmassa ehdotettiin myös, että yrityksen IR-viestinnän taso parantuisi uusien kannettavien teknologioiden tehokkaammasta hyödyntämisestä. Vaikka sosiaalisen median merkityksen koettiin olevan vähäinen KONE:en vallitseville IR-viestintäkäytännöille, yrityksen on suositeltavaa seurata säännöllisesti aiheeseen liittyviä trendejä ja mukautua tarvittaessa. KONE:en maine koettiin tutkielmassa vahvaksi. IR-viestinnän merkitys maineen rakentamisessa ymmärrettiin tärkeäksi, sillä KONE toimii yritysten välisillä markkinoilla. Lisäksi Internet-pohjaisen IR-viestinnän roolia kriisinhallintavälineenä ja IR-viestinnän kattavien kriisiviestintäsuunnitelmien tärkeyttä painotettiin, sillä kriisitilanteet ovat pahimmillaan erittäin suuri uhka yrityksen maineelle.

Avainsanat: kansainvälinen yritysviestintä, KONE, sijoittajasuhdeviestintä, IR-viestintä, Internet, yrityksen maine, sosiaalinen media, kannettavat teknologiat

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1 INTRODUCTION

"The Internet is becoming the town square for the global village of tomorrow."

William Henry "Bill" Gates III, co-founder and chairman, Microsoft Corporation

The modern business world is experiencing a continuous change. Companies and other organizations have to cope with the fast pace and new challenges in order to survive and prosper. One of the most important and perhaps one of the quickest transitions the world has seen during the last few decades is directly related to communication. Fast technological development has created new, quick and extensive communication channels and contexts that have diluted national borders and turned many parts of the world into a single 'global village' (McLuhan & Powers, 1989, as cited in Argenti, 2009, p. 7). Many people who live and work in for example some developed Western country, are likely to have personal experiences of this 'global village'. A Finnish engineer can work with colleagues located in India on a daily basis. Working life has become irrespective of time zones, and employees from different continents can arrange meetings whenever they like. 'Globalization 2.0' – globalization driven by companies and organizations internationalizing – has basically been replaced by new trends that integrate the world even further (Friedman, 2006, as cited in Piller, 2009, p. 317).

The current stage of globalization is driven by individuals internationalizing. According to Friedman (2006, as cited in Piller, 2009, p. 322), this stage of globalization is called 'Globalization 3.0': individuals operate, compete and collaborate in an international setting. Whatever the stage of globalization, though, the developing communication technologies and increasing communication potential have always driven the change (Charles, 2007, p. 261). Of all modern communication channels the Internet is without a doubt the most influential. In fact, as Green (2008) argues, the Internet has become such a dynamic and customizable forum that it is actually something else than a mere fixed communication channel. Indeed, Green (2008) suggests that the Internet should be understood and interpreted as a widespread communication context, in which users both receive and produce information. In March 2011 there were over two billion Internet

users worldwide: the number of users has increased around 480 per cent between 2000 and 2011, and the penetration of the Internet (as a percentage of world population) was around 30 per cent in March 2011 (Internet World Stats, 2011).

The Internet as a communication context, then, is one of the major forces behind the development towards the true 'global village' and a more integrated world. If the topic is examined from another angle, it could be said that modern communication technologies have not only conquered the everyday lives of individuals, but they have also become integral parts of companies' and other organizations' daily operations and communication activities. This change has also had resonations throughout the academic field of business communication, including International Business Communication. Investor relations communication[1] is an example of a business communication area that has been reshaped to some extent during the Internet era. This trend has challenged many companies, as the role of IR communication has become increasingly prominent. More specifically, the key target audiences of IR communication, especially the members of the financial community[2], are often among the companies' most influential stakeholder groups.

Additionally, IR communication is an example of a business communication field that increasingly takes place in the Internet and exploits the newest communication technologies. Indeed, Internet-based financial reporting and other forms of Internet-based IR communication have become tempting as they offer invaluable benefits over more traditional communication practices. According to Debreceny, Gray and Rahman (2002, p. 380), these benefits include wide reach, frequency and speed. In addition, different competitions have increased the interest in Internet-based IR communication. The Finnish Foundation for Share Promotion, for example, arranges an annual IR

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[1] The expression *investor relations* will be used interchangeably with the abbreviated form *IR* regardless of the more specific context throughout the study. In addition, the expression *IR function* will be used interchangeably with the form *IR communication function* in order to accentuate the communication processes related to IR work.

[2] The term *financial community* will be used to describe the most influential target audiences of the company's IR communication activities. In the present study, the term financial community covers individual and institutional investors, analysts and rating agencies (see Argenti, 2009, pp. 207-216, for a detailed account of the relevant target audiences of IR communication). The term will be used for pragmatic reasons: it is compact and covers the key audiences in a comprehensive manner.

website competition for Finnish public listed companies (Pörssisäätiö, 2011). The field of IR communication is also subject to constant changes, many of which stem from crises and technological development (see e.g. Cole, 2004; Higgins, 2000). Yet, as Laskin (2005, p. 241) states, "the field of investor relations is rather underdeveloped from the communication theoretical perspective".

All in all, existing research literature indicates that IR communication and other forms of financial communication have become increasingly important recently. Among the most important reasons for this are the ever increasing financial disclosure and corporate transparency requirements in the post-Enron era (Laskin, 2005, p. 241; Argenti, 2009, p. 220-221) and the intensive competition "for the investment dollar" (Argenti, 2009, p. 204). Indeed, the rise and the scandalous fall of the American energy giant Enron is an appropriate example of a crisis that influenced financial reporting and IR communication practices all over the world. The case has been extensively discussed in both magazines and newspapers (see e.g. Booth-Thomas, 2002) and in academia (see e.g. Chabrak & Daidj, 2007), and it still remains as an ultimate example of the consequences of a total lack of corporate transparency.

Modern, strict corporate transparency requirements have not only increased the interest in IR communication activities; another area that has gained in importance is the concept of corporate reputation. According to Argenti (2009, p. 84), "the proliferation of media and information" and "the demand for increased transparency" have increased the relevance of reputation management. As IR communication practices are fundamentally aimed at enhancing the level of corporate transparency, Argenti's (2009, p. 84) argumentation essentially suggests that IR communication and corporate reputation management are intertwined with each other.

The importance of the relation between IR communication and corporate reputation is further emphasized by Silver (2004, p. 62), who argues that corporate reputation has a clear effect on the investors' faith and trust in the company. However, corporate reputation is still often an unknown concept for many companies (Silver, 2004, p. 62). Mazzola, Ravasi and Gabbioneta (2006) investigate the importance of reputation in financial markets, and even though they discuss the role of IR communication, their

focus ultimately lies on issues like leadership and strategic planning. Braddy, Meade and Kroustalis (2008) in turn connect the effectiveness of Internet-based business communication, i.e. website usability and attractiveness, to users' impressions of the company. Finally, for example Gaulke (2007) and Salminen (2008) provide accounts of designing effective IR websites, but their studies do not connect that particular topic to corporate reputation.

As companies conduct their IR communication activities increasingly in the Internet, and as corporate reputation has become a burning topic in the post-Enron world, the need for examining the relations between Internet-based IR communication and corporate reputation has emerged. So far this topic has virtually received no attention at all, even though its relevance can be further emphasized by the fact that the audiences of IR communication are usually among companies' most influential stakeholders. Additionally, despite its various beneficial characteristics (see e.g. Debreceny, Gray & Rahman (2002, p. 380), the Internet is a challenging communication context in terms of corporate reputation management (see e.g. Laaksonen, 2011; Park & Lee, 2007; Valor, 2009). The present study operates in the gap between Internet-based IR communication and corporate reputation by examining the topic in the context of an internationally operating organization.

1.1 Research objectives and questions

The main objective of the present study is to investigate Internet-based IR communication activities of an internationally operating organization, KONE Corporation, and to identify possible relations between Internet-based IR communication and corporate reputation. Figure 1 synthesizes the previous discussion and illustrates the key concepts and the domain of this study.
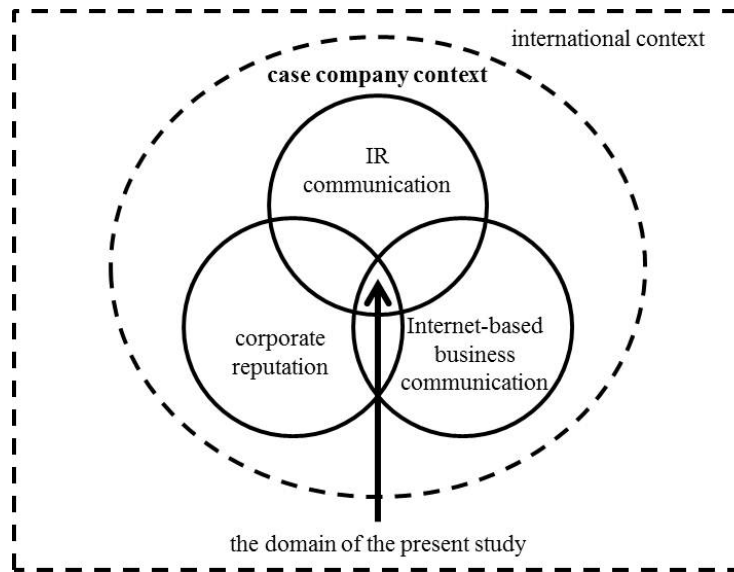
Figure 1. The key concepts and the domain of the study.

As Figure 1 shows, the domain of the present study, the case company's Internet-based IR communication and its relations to corporate reputation, is the overlapping area between the three concepts of Internet-based business communication, IR communication and corporate reputation. The case company context is presented as a circle that surrounds the key concepts and, finally, the case company context is surrounded by the international business context in which the company operates. Because of their indefinite nature, the international and case company contexts are depicted as broken rather than solid lines in Figure 1.

The present study aims at reflecting the case company's Internet-based IR communication practices upon industry conventions, other companies' corresponding practices and internal and external audiences' perceptions[3], examining how the company could capitalize on social media services and new mobile technologies in its IR communication activities, and investigating how the case company's Internet-based IR communication practices influence the company's relations to its stakeholders and corporate reputation. The three research questions of the study are presented below.

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[3] The expression *internal audiences* encompasses the participants of the focus group conducted for the present study, i.e. two of KONE's IR representatives. The expression *external audiences* in turn covers the participants of the semi-structured interviews conducted for the present study, i.e. two representatives of the financial community and two representatives of communications consultancies.

RQ 1.1 How do KONE's Internet-based IR communication practices compare with industry conventions, other companies' corresponding practices and the perceptions of KONE's internal and external audiences?

RQ 1.2 How could KONE capitalize on social media services and new mobile technologies in their IR communication?

RQ 1.3 How do KONE's Internet-based IR communication practices affect its relations to the stakeholders and corporate reputation?

Question 1.1, broadly speaking, revolves around issues related to usability, clarity and relevance of KONE's Internet-based IR communication. Question 1.2, on the other hand, investigates whether the potential of social media services and new mobile technologies could be capitalized on in KONE's IR communication activities. Question 1.3 in turn explores the relations between Internet-based IR communication and corporate reputation. In addition to answering the research questions, the study provides practical recommendations for KONE. The following subchapter presents KONE and justifies its selection as the case company of this study.

1.2 Case company KONE

The case company of this study, KONE, is one of the leading companies in the global elevator and escalator industry. Based in Espoo, the Helsinki capital region, Finland, KONE is present in more than 50 countries worldwide (KONE, 2011a). In 2010, KONE's net sales totaled around EUR 5 billion, almost 97 per cent of which was generated outside Finland. This is a good indication of the company's strong presence outside Finland. In particular, the market development in the Asia-Pacific region was an important driver for the company in 2010. The company had around 33 800 employees in 2010 and its class B shares are listed on the NASDAQ OMX Helsinki Ltd. stock exchange (KONE, 2011b). Since its foundation in 1910, the company has grown from a small machine shop to a global player (KONE, 2011a).

Even though the company has become a large-scale organization, it can still be identified as a family enterprise: the ownership structure and the decision making power is concentrated to the major shareholder of the company, Antti Herlin. However, at the

end of December 2010 there were 29 772 individual shareholders and 28 analysts and brokers from influential financial institutions like Credit Suisse, Nomura and Öhman Securities Finland following the company (KONE, 2011b).

Despite the concentrated ownership structure, the company has still a wide shareholder base and therefore a large audience for IR communication activities. Indeed, the company practices extensive Internet-based IR communication. Additionally, KONE's IR websites were successful, if not winning, in the 2010 IR website competition arranged by the Finnish Foundation for Share Promotion (Pörssisäätiö, 2011), and the company's Internet-based communication practices were ranked 25th best in Europe in the 2010 KWD Webranking (KWD Webranking, 2011b). KONE is also widely regarded as a company with a strong and solid corporate reputation (see e.g. Aula & Heinonen, 2011, p. 29; Pohjoisranta, 2010). These issues, combined with the fact that KONE is a diverse and internationally operating organization, make KONE an appropriate case company for an International Business Communication Master's Thesis examining Internet-based IR communication and corporate reputation.

1.3 Structure of the report

The present study is divided into six chapters. The first chapter has introduced the research topic and gap, research questions and the case company of the study. Chapter 2 reviews literature relevant for the present study. Chapter 2 is structured into four subchapters in accordance with the four focal areas of this study: the Internet, IR communication, corporate reputation and the relation between Internet-based IR communication and corporate reputation. The research framework is also presented in chapter 2. Chapter 3 first discusses the case study design of the present study, after which the data and data collection and analysis methods will be described. Chapter 3 also addresses trustworthiness of the study. Chapter 4 presents the findings and hence answers the research questions. Chapter 5 discusses the findings and reflects them upon the literature presented in the literature review. Finally, Chapter 6 concludes the study by summarizing the research process and presenting the practical recommendation for the case company, limitations of the study and suggestions for future research.

2 LITERATURE REVIEW

This chapter reviews existing literature relevant for the purposes of this study. The theoretical research framework, which will be used as the foundation of this study, will be developed as an outcome of the literature review.

The review consists of four subchapters in accordance with the four key concepts of the study: the Internet, IR communication, corporate reputation, and Internet-based IR communication and corporate reputation. Subchapter 2.1 describes the importance of the Internet as a business communication context. This topic will be approached through investigating the widespread nature of the Internet as well as its characteristics and benefits. Subchapter 2.2 concentrates on IR communication, in particular on the definition and benefits of IR communication. The subchapter also discusses the concept of Internet-based IR communication. Subchapter 2.3 in turn presents the concept of corporate reputation and in particular its relation to overall business performance and the perceptions of the financial community. Finally, subchapter 2.4 discusses the relations between Internet-based IR communication and corporate reputation and presents the research framework.

2.1 The Internet

This subchapter first presents the Internet as a widespread and world-conquering phenomenon that is fundamentally characterized by a high level of customizability and a variety of services and possibilities for social interaction. Second, the subchapter describes the Internet as a communication context for business purposes and describes some of the key factors that influence companies' and organizations' activity in Internet-based communication. In accordance with the discussion of the introductory chapter, the expression 'communication context' will be used instead of 'communication channel' in order to describe the multifaceted nature of the Internet. The term 'communication for business purposes' is used in the same sense as Louhiala-Salminen (2009) uses the term 'business communication': it basically encompasses all communication activities that are undertaken in order to meet business-oriented goals.

2.1.1 A widespread phenomenon

This section presents the Internet as a widespread and customizable communication context that enables new types of services and social interaction and increases collaboration between individuals from different countries and cultural backgrounds. The Internet, which, according to National Science Foundation (n.d), is a global system that connects different computer networks to each other, has quickly become one of the most influential communication contexts of all time. The roots of the Internet date back to the late 1960s USA, where there was a need to build new types of computing and information sharing networks in order to avoid bottlenecks that would have hindered the development of information and communication technology. The very first network systems served some American universities, commercial organizations and the U.S. Department of Defense. With time and the help of new advanced technologies the Internet expanded and became more and more popular, and by the end of 1994 the Internet was transmitting almost 18 trillion bytes of information every month. (National Science Foundation, n.d.).

Quite unsurprisingly, the scale of the Internet-based information flows and the number of Internet users are on different levels today than they were in 1994. Since the 1990s the Internet has expanded briskly and become an everyday phenomenon for people all over the world. In March 2011 there were approximately over two billion Internet users worldwide, which equals to around 30 per cent of total world population. The growth rate of the number of Internet users worldwide has been substantial between 2000 and 2011: approximately 480 per cent. (Internet World Stats, 2011).

Regional differences in growth rates have been even clearer, which indicates that the Internet is still an expanding phenomenon despite its perceived omnipresence in developed countries. Indeed, the number of Internet users in Africa has grown over 2 500 per cent between 2000 and 2011, while the European growth rate during the same period has been around 350 per cent. Nevertheless, when it comes to the penetration rates of the Internet, developed industrial areas like North America, Oceania and Australia and Europe are ahead the rest of the world. (Internet World Stats, 2011). Figure 2 illustrates the 2011 worldwide Internet penetration rates as a percentage of

regional population. More specifically, Figure 2 depicts that even though the Internet has become increasingly influential, there is still growth potential to be tapped in many parts of the world. All figures are rounded to the nearest integer.
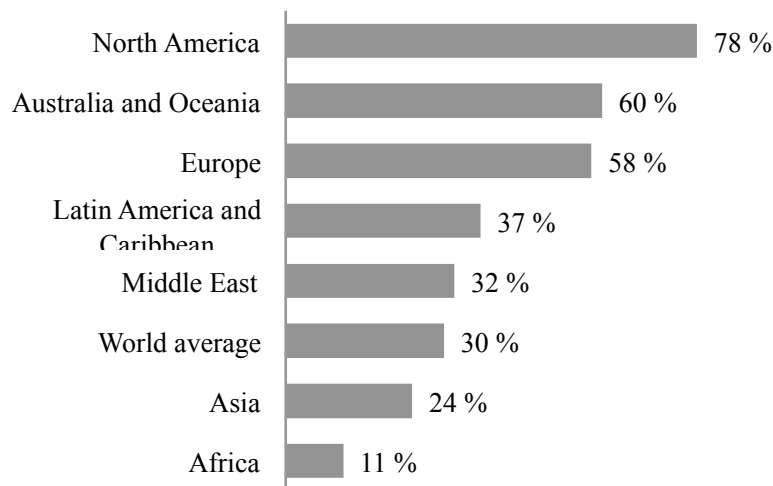
Figure 2. 2011 Internet penetration rates as a percentage of population (adapted from Internet World Stats, 2011).

Internet-based communication practices offer many benefits over traditional communication channels, for example low distribution costs and wide accessibility. These rather positive issues, on the other hand, mean that the Internet is a highly decentralized and fragmented communication context. The amount and diversity of contents and information available is already large, and the trend seems to be towards even greater diversification. (Norris & Inglehart, 2009). Norris and Inglehart (2009) continue by stating that these contents, e.g. websites, blogs and social networks, are virtually irrespective of geographic locations. The rise of new communication forums and technologies and the strong trend towards the fragmentation of information, on the other hand, have also produced new challenges and dilemmas, many of which are related to ethics and relevance of information (Bivins, 2009).

Green (2008) argues that the Internet is such a dynamic and customizable forum for communication and interaction that it is created anew and shaped by every single individual user. She even argues that the Internet has become such a diverse, dynamic

and mundane phenomenon that we should not talk about the Internet as a fixed place or channel anymore. This view is adapted in this study: instead of treating the Internet as a fixed communication channel, the Internet is seen as a dynamic communication context throughout the present study. Green's (2008) view on the nature of the Internet is supported by Amiel and Sargent (2004), who argue that there are clear individual differences in Internet usage motives. Even though their study focuses on psychological factors that influence individuals' Internet usage motives, it provides evidence on the dynamic nature of the Internet.

Of course, there are also more concrete needs behind such psychological factors that fuel Internet usage. For instance, Internet banking and other financial services are appropriate examples of concrete Internet-based services that have become popular in many countries (see e.g. Mäenpää, Kale, Kuusela & Mesiranta, 2008; Bollen, Hassink & Bozic, 2006, p. 274). However, it is not only utility-driven services that function as triggers for individuals' Internet usage. Social media have become highly influential and popular services lately: for example, Facebook has more than 500 million active users worldwide and the total amount of time spent on Facebook is over 700 billion minutes per month (Facebook, 2011). Different services of entertainment value are also important drivers for Internet usage among individual users. Even though an exhaustive review of the use of different Internet-based services is beyond the scope of this study, it should be noted that social media services and their business-related applications have become popular topics among researchers (see e.g. Aula, 2010; Aula & Heinonen, 2011; Grützmacher, 2011).

Looking at the phenomenon from a broader angle, the Internet has increased interaction between individuals from different countries and cultural backgrounds and thus sped up the development towards 'Globalization 3.0' (Friedman, 2006, as cited in Piller, 2009, p. 322). This in turn appeals to the human nature, which is normally characterized by curiosity and thirst for new information and social interaction. Additionally, as O'Kane, Hargie and Tourish (2004, p. 76) state, "there is little we cannot discover through our computers from the warmth and comfort of our own homes and offices". Indeed, the Internet has brought the world to our desktops and mobile devices, which further enhances its appeal and, on the other hand, enhances the possibilities of developing new

business applications. Figure 3 sums up the main points of the preceding discussion by illustrating key drivers and individual factors that trigger and influence Internet usage.
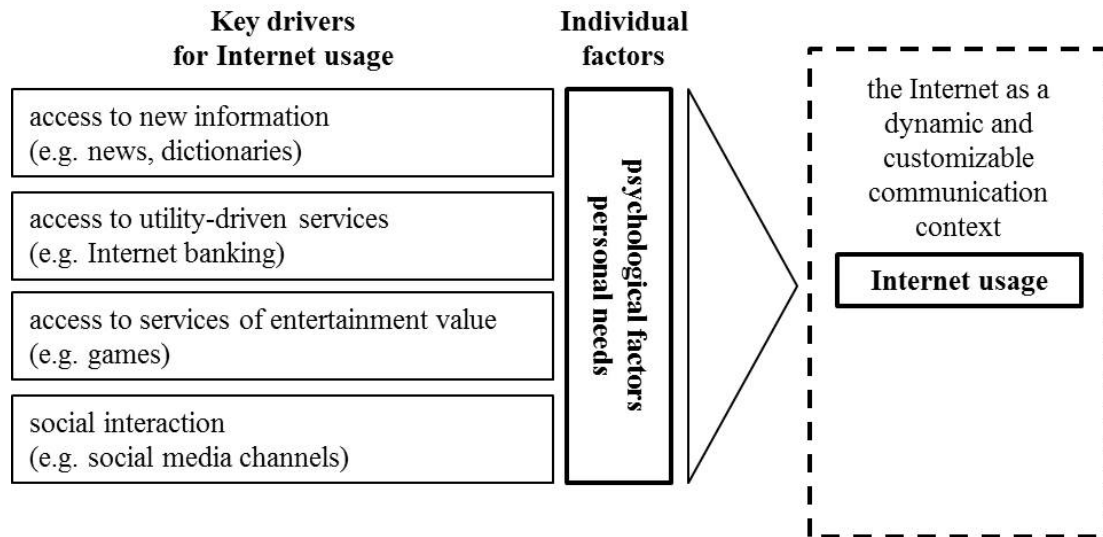
Figure 3. Key drivers and factors behind an individual's Internet usage (adapted from e.g. Amiel & Sargent, 2004; Facebook, 2011; Green, 2008; Mäenpää, Kale, Kuusela & Mesiranta, 2008).

To summarize section 2.1.1, the Internet is a diverse, customizable, popular and convenient communication context that has quickly conquered many parts of the world. Internet-based communication has made completely new types of services and social interaction such as Internet banking, other financial services and social media possible. In general, the Internet has sped up the development towards 'Globalization 3.0' by increasing collaboration between individuals on an international level.

2.1.2 An unparalleled business communication context

This section presents the Internet as a communication context for business purposes and describes key factors that influence companies' and organizations' activity in Internet-based communication. The benefits offered by Internet-based communication are tempting from not only individual users' but also companies' and organizations' point of view. Communication activities of companies and organizations, whether they are small family enterprises or large public listed companies, are complex and can be

divided into numerous categories according to their function. Even though boundaries of these categories are often somewhat vague and overlapping, such categorizations can clarify the nature of these communication processes (see e.g. Argenti, 2009; Cornelissen, 2011; Tourish & Hargie, 2004). Of course, increasing complexity in communication practices also increases the amount of work and resources needed to manage the information flows. New communication technologies and contexts, including the Internet, play important parts in managing these flows.

O'Kane, Hargie and Tourish (2004, pp. 76-78) argue that one of the most important benefits of Internet-based communication is that companies and organizations can themselves decide what kind of information they want to publish. This is often virtually impossible with many traditional communication channels like newspapers and television programs. Additionally, O'Kane et al. (2004, pp. 76-78) state that information can be distributed quickly and accurately in the Internet. The swiftness of the distribution of information is also described by Debreceny, Gray and Rahman (2002). Their focus is on Internet-based financial reporting, but the findings are applicable to any kind of communication taking place in the Internet. They also identify low distribution costs, frequency, wide reach and flexibility as key benefits of Internet-based communication. This list can be supplemented by the fact that the Internet is a versatile and interactive communication context. Indeed, companies can use different "multimedia presentational formats" in innovative ways (Jones & Xiao, 2004, p. 238) and interact with their stakeholders among other things through questions and answers sections of corporate websites (Cormier, Ledoux & Magnan, 2009, p. 2).

In other words, Internet-based communication activities can be quick, inexpensive and interactive. They can also effectively increase the information flows and the level of corporate transparency. This, according to Debreceny, Gray and Rahman (2002), can decrease the information asymmetry between the company and its stakeholders, especially between managers and shareholders, and thus reduce costs caused by the asymmetry. This is further emphasized by Ettredge, Richardson and Scholz (as cited in Bollen, Hassink & Bozic, 2006, p. 275) who argue that information can be distributed equally to a significantly wide audience with the help of Internet-based communication. In particular, they represent the view that Internet-based IR communication activities

can provide individual investors with the same relevant and timely information as institutional investors, analysts and other influential members of the financial community. Figure 4 summarizes the key points of the preceding discussion by depicting the most important benefits of the Internet as a business communication context and the key drivers that affect a company's or an organization's decision to engage in Internet-based communication.
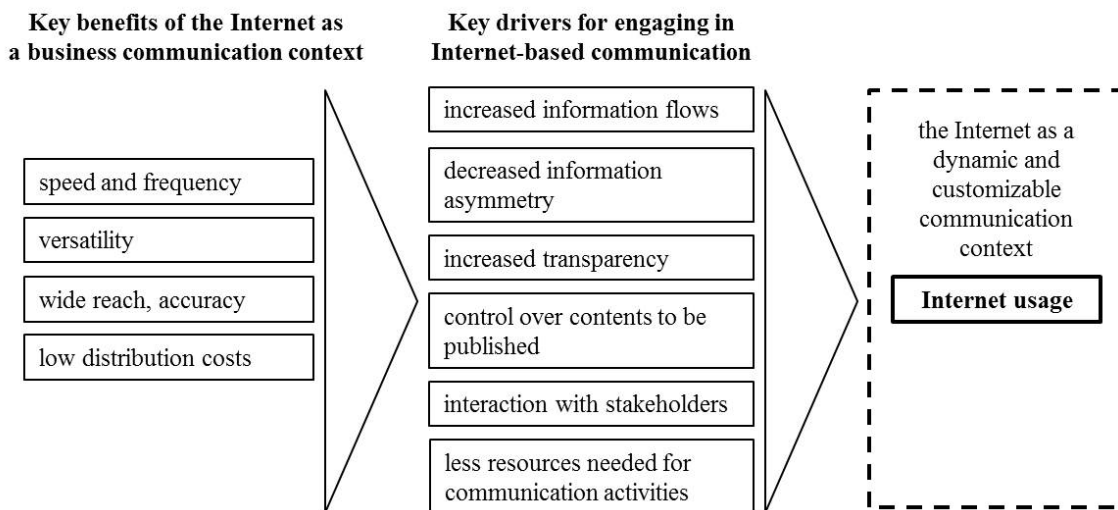
Figure 4. Key benefits of the Internet and key drivers for engaging in Internet-based business communication (adapted from e.g. Debreceny, Gray & Rahman, 2002; Green, 2008; Jones & Xiao, 2004; O'Kane, Hargie & Tourish, 2004).

As can be seen in Figure 4, the key benefits of the Internet as a business communication context are illustrated on the left-hand side. Key drivers for engaging in Internet-based business communication are listed in the middle of the figure. Finally, the ultimate outcomes of the process, the actual communication activities taking place in the Internet, are depicted on the right-hand side of Figure 4. As was the case with Figure 3, the Internet as a communication context is illustrated as a broken rather than solid line in order to better demonstrate its dynamic and customizable nature.

In spite of its various benefits, the Internet is far from being a problem-free business communication context. Many problems and challenges related to the use of the Internet were identified already in the 1990s: these problems include information overload (Groves, 1994, as cited in Jones & Xiao, 2004, p. 240), poor quality of information and

possible security breaches (see e.g. Hussey, Gulliford & Lymer, 1998, as cited in Jones & Xiao, 2004, p. 240). New communication environments like social media services also set challenges for companies: individual Internet users have significant power nowadays as they can express their negative and positive opinions easily to a large audience and therefore affect a company's or an organization's reputation (see e.g. Grützmacher, 2011; Aula, 2010; Aula & Heinonen, 2011). The relevance of ethical challenges and dilemmas related to communication practices was briefly mentioned already in the previous section (Bivins, 2009). However, according to Bivins (2009), it should be noted that these kinds of considerations are important not only to individual Internet users but also to companies and organizations, who need to be careful in their Internet-based communication in order to avoid unwanted situations, negative publicity, possible reputation risks and ethical dilemmas.

As a summary for section 2.1.2, Internet-based business communication is essentially characterized by speed, versatility, wide reach and low costs. Companies and other organizations engaging in Internet-based communication pursue in particular lower level of information asymmetry between different stakeholders and, hence, increased transparency, enhanced interaction with stakeholders and, eventually, lower costs. Despite its numerous benefits, the Internet is not a problem-free business communication context: issues like information overload and reputational risks are serious concerns for companies and other organizations.

To conclude subchapter 2.1, the Internet is a communication context that has spread all over the world, created new services and types of social interaction and contributed to the stage of globalization called 'Globalization 3.0'. However, the Internet as a business communication context is like a double-edged sword. On the one hand it offers advantages like speed, versatility, wide reach, low distribution costs and ability to reduce information asymmetry between different stakeholders; the last point is particularly relevant for the purposes of this study, as reducing information asymmetry is one of the key tasks of IR communication. On the other hand the Internet is a challenging context that can risk the company's or organization's reputation and pose ethical dilemmas. Thus, all actors engaging in Internet-based business communication, including KONE, should carefully evaluate these risks. Despite the negative aspects,

virtually all kinds of organizations practice some kind of Internet-based communication, at least in developed countries. All in all, it is reasonable to state that understanding the role and nature of the Internet is a vital prerequisite for the present study.

2.2 IR communication

This subchapter discusses the concept of IR communication through the following four steps. The first section positions IR communication to a wider context, which is necessary, because academics' and practitioners' views on the relation between IR communication and other communication fields are diverse. The second section concentrates on the definition and tasks of IR communication. The third section continues the discussion by examining the key benefits effective and successful IR communication can provide the company. The fourth section in turn synthesizes the concepts of the Internet and IR communication and discusses the Internet as an IR communication context.

2.2.1 Relations to other fields of business communication

This section positions IR communication to a wider context within the field of business communication. However, as academics' and business practitioners' views on this topic are highly versatile, it is challenging to identify the relations between IR communication and other business communication fields in a comprehensive manner.

Hierarchically speaking, IR communication is often interpreted as a sub-function of some broader umbrella concept, in particular corporate communication. This view is supported by for example Argenti (2009), Cornelissen (2011) and van Riel (1992). More specifically, Cornelissen (2011, pp. 39-58) identifies IR communication as a part of another function, stakeholder management and communication. Van Riel (1992, pp. 12-14) sees IR communication in somewhat similar terms as Cornelissen (2011) and positions it under the concept of organizational communication. Argenti (2009, pp. 203-228), on the other hand, considers IR communication a function of its own.

Of course, these differences in interpretations do not indicate that one conceptualization would be better than another from IR communication point of view. For instance

Cornelissen (2011) may present IR communication in somewhat narrower terms than Argenti (2009), but Cornelissen (2011, pp. 45-47) identifies shareholders, both individual and institutional ones, as influential dominant or definitive stakeholders and, thus, clearly emphasizes the importance of IR communication. In addition, some practitioners (see e.g. Silver, 2004) argue that in some cases the company's IR communication function should be merged with or at least converged towards the company's public relations function. This view is supported by Laskin (2005, pp. 244-245) who states that "it is a unique opportunity for public relations to claim its spot in the investor relations area by contributing its knowledge and theoretical base to improve the shaken image of investor relations".

If the aforementioned views by academics and business practitioners feel complicated, the real business life is perhaps even more complex. In his study, Laskin (2005, pp. 246-247) found out that some large companies do not even have independent IR functions. On the other hand, as Sato (2000) argues, some companies, like the Japanese Sony, have surprisingly large and autonomous IR communication functions. In this light, the expression 'shaken image' appropriately describes the position IR communication has acquired in both academic discussion and real business life.

Because of the diversity of the interpretations, the present study simply considers IR communication an independent function located in the field of business communication rather than for example under the concept of corporate communication. Even though this kind of a definition is not highly important for the purposes of the study, it is worth noting that the case company KONE's IR team is an independent function responsible for all IR matters (KONE, 2011c).

Academics' and business practitioners' views are also varying when it comes to the characteristics of IR communication and, in particular, to the skills needed in the field. Communication skills, a wide understanding of the company's operating environment and financial issues (see e.g. Argenti, 2009, p. 204; Allen, 2004, p. 3; Mars, Virtanen & Virtanen, 2000, p. 213) and, to some extent, marketing skills (Allen, 2004, p. 3) are often understood to be relevant tools in an IR professional's toolbox. Mars et al. (2000, pp. 213-214) also remind that an IR professional is preferably a diplomatic person with

excellent interpersonal skills. The need for both theoretical and practical communication skills is also emphasized by Laskin (2005, p. 251), who sees the whole discipline of IR as somewhat "underdeveloped from the communication theoretical" point of view.

Whatever its position in the corporate hierarchy, whatever its relation to other fields of communication, and whatever the skills relevant for an IR professional, the following issues are clear: IR communication is a multifaceted and complex communication function with numerous tasks to be fulfilled (see e.g. Argenti, 2009, pp. 203-217; Laskin, 2005; Mars, Virtanen & Virtanen, 2000; van Riel, 1992, p. 13). Additionally, many researchers see IR communication as a field that constantly faces new challenges and is experiencing a continuous change process (see e.g. Cole, 2004; Higgins, 2000).

To sum up section 2.2.1, the discussion indicated that IR communication is a multifaceted field, whose image and relation to other communication fields are somewhat shaken and that is somewhat underdeveloped from the communication theoretical perspective. Some researchers regard IR communication as an independent function, whereas some others position it under some broader umbrella concept; the present study interprets IR communication as an independent function within the field of business communication, which appropriately describes the nature of the case company's IR function. Similarly, existing literature provided a fragmented account on the characteristics and skills relevant for an IR professional. IR communication was also interpreted as a field experiencing a continuous change.

2.2.2 Definition and tasks of IR communication

This section first defines the concept of IR communication, after which the key tasks of IR communication will be described in detail. Simply put, IR communication function can be defined as "the link between a company and the financial community" (Marston, 1996, p. 477). Argenti (2009, p. 204), on the other hand, quotes a chief financial officer and defines one key purpose of IR communication by stating that IR professionals are "competing for the investment dollar".

Both of these views are justifiable: it could be said that two ultimate goals of IR communication are to act as a bridge between the company and the financial community,

and to strengthen the company's position in the competition for investors' capital (Argenti, 2009, p. 207). In other words, this means getting members of the financial community interested in the company and its story. More specifically, it encompasses building trust between the company and the financial community (Minow, 2002, as cited in Laskin, 2005, p. 245). Reaching this objective can for example positively affect the company's cost of capital (van Riel, 1992, p. 12). Key benefits of effective and successful IR communication will be discussed in more detail in section 2.2.3. Next, the aforementioned general goal of IR communication will be approached through focusing on relevant 'lower-level' objectives.

Argenti (2009, p. 207) identifies the following key objectives for a company's IR communication: clarifying and describing the company's strategy and vision, explaining what the company has to offer to the financial community, linking the expectations about the company's valuation and share price to the financial reality and prospects in order to avoid situations of over- and undervaluation, and reducing share price volatility. The key word here is 'expectations': the emphasis of IR communication should be on future prospects rather than historical development and performance (Farragher, Kleiman & Bazaz, 1994, p. 404). According to Argenti (2009, p. 207), the last point, which could also be seen as a benefit of IR communication, is intertwined with managing and optimizing the company's shareholder structure: the amount of patient long-term investors, for example, can be an important factor when reducing share price volatility.

Allen (2004, pp. 3-5) in turn considers managing the corporate disclosure policies, managing and planning financial reporting materials like annual reports, supporting and clarifying the corporate image, and conducting market research in order to identify relevant investors key tasks of IR communication. Managing and planning financial reporting materials is also mentioned by Argenti (2009, p. 217), who states that for example annual reports are used as both important communication tools for distributing relevant information and as "brand builders, recruiting pieces, marketing brochures, corporate image books, and strategic positioning tools" also.

It should not be forgotten that the key tasks of IR communication professionals also include managing other IR communication channels, for instance roadshows, presentations, conferences and mass media communication, including Internet-based IR communication (Laskin, 2005, p. 247). Additionally, tasks like determining the IR communication channels, measuring and evaluating the results of IR communication (Allen, 2004, p. 5), and internal communication with other functions like the top management of an organization (Laskin, 2005, p. 247) are also important objectives. Indeed, according to Mars, Virtanen and Virtanen (2000, p. 37), one important form of internal communication between the company's IR function and the top management is the mediation of market opinions and trends.

Based on the preceding discussion, formulating an exhaustive list of all tasks related to an IR professional's work would be bordering on impossible. Many tasks overlap with each other, are closely intertwined or at least differently described by different researchers. Many tasks are also dependent on the context: as was already pointed out, Laskin (2005, pp. 246-247) for instance found out that some large companies do not have dedicated IR communication functions at all. Thus, many IR-related tasks are taken care of by other functions like finance or treasury. Different contexts and phases in organizational development also require unique approaches to IR communication: such situations include mergers and acquisitions (Hartigan, 2004), initial public offerings (Sherk, 2004) and organizational crises (Sitrick, 2004). The relevance of crisis situations and contingency plans are also mentioned by Mars, Virtanen and Virtanen (2000, pp. 173-177) and Regester (1993, as cited in Marston, 1996, p. 478). Examining all separate cases is unfortunately beyond the scope of this Master's Thesis. Figure 5 below summarizes the key outcomes of the discussion of this section.
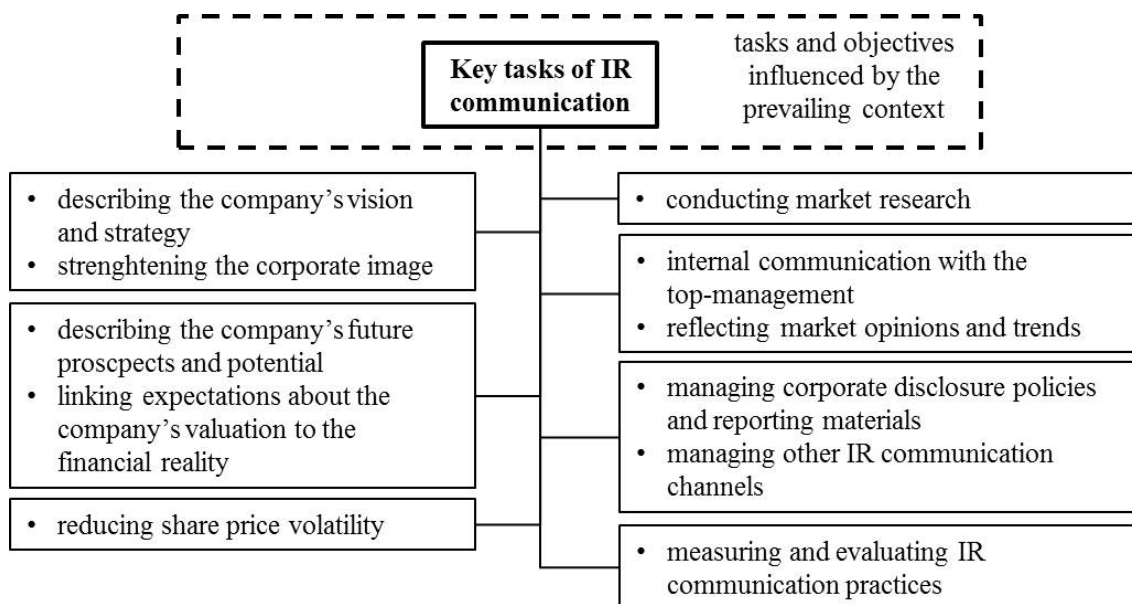
Figure 5. Key tasks of IR communication as context-bound issues (adapted from e.g. Allen, 2004; Argenti, 2009; Laskin, 2005; Mars, Virtanen & Virtanen, 2000).

Figure 5 depicts the key tasks of IR communication as issues influenced by the prevailing context: hence the broken line is used in the upper section of the figure. In accordance with the preceding discussion related to the scope of the present study, Figure 5 does not make clear distinctions between the contexts. Additionally, some tasks, for instance reducing share price volatility, can also be interpreted as benefits of IR communication. As was the case with positioning IR communication to the wider spectrum of communication activities, the discussion of this section is characterized by its openness to different interpretations.

In sum, section 2.2.2 promoted the view that the field of IR communication consists of a wide array of different tasks that are influenced by the prevailing context. Thus, formulating an exhaustive presentation of these tasks is virtually impossible, and the tasks presented in the section are regarded as the most important issues for the purposes of the present study. In any case, the ultimate goal of IR communication activities is to build and maintain trust between the company and its stakeholders. Hence it is appropriate to end the discussion with the following citation, which embodies the core of IR communication: "Markets do not run on the money, they run on trust" (Minow, 2002, as cited in Laskin, 2005, p. 245).

2.2.3 Benefits of effective and successful IR communication

This section describes the benefits of effective and successful IR communication that are interpreted as the most relevant issues for the purposes of this study. As academics' and practitioners' views on the key benefits of IR communication are wide and somewhat fragmented, creating an exhaustive list of all possible factors is again beyond the scope of this study. Instead, a general look at the issues that support this report will be taken. In this context, the notion 'effective and successful IR communication' simply encompasses such IR communication activities that meet some or all key tasks identified in section 2.2.2 in a way that satisfies both the company and the target audience.

The first benefits to be presented here are intertwined with each other: effective and successful IR communication can increase trust between the company and its stakeholders, most importantly the financial community (Mars, Virtanen & Virtanen, 2000, pp. 26-27; Minow, 2002, as cited in Laskin, 2005, p. 245), and thus increase investors' interest in the company (Allen, 2004, p. 4; Argenti, 2009, p. 207; Higgins, 2000, p. 30). This can in turn enhance the company's credibility, visibility (Allen, 2004, p. 4; Mars et al., 2000, p. 47) and ultimately reputation (Argenti, 2009, p. 208). All of these issues can influence investors' opinions and have significant financial effects. Effective IR communication activities have been found to attract in particular patient long-term investors (Eccles & Mavrinac, 1995, as cited in Higgins, 2000, p. 29), who do not pressure the company to maximize short-term profits in the same way some other investors might do (Cornelissen, 2011, p. 42). As the benefits presented here are quite general, a more detailed look at their underlying building blocks will be taken next.

Reducing share price volatility was identified as a key task of IR communication already in the previous section, but, as it can also be seen as a benefit that can positively influence investors' perceptions of the company, it is mentioned here as well (Argenti, 2009, p. 207; Mars, Virtanen & Virtanen, 2000, p. 46). Another topic directly related to investors' perceptions is that extensive IR communication practices can broadly speaking decrease investors' perceptions of risk (Laskin, 2005, p. 252) and thus reduce the amount of risk premium required for the investments (Higgins, 2000, p. 29).

The discussion leads to the fact that in the long run, effective and successful IR communication can increase liquidity of shares, enhance share price performance and boost the company's valuation (Higgins, 2000, p. 30; Mars, Virtanen & Virtanen, 2000, p. 45; van Riel, 1992, p. 12). Argenti (2009, p. 207) argues that "'superb' IR is associated with creating a media stock price premium of 10 percent, and that 'poor' IR is associated with a media stock price discount of 15 percent". This indicates the company's stakeholders, particularly the financial community, appreciate open and effective IR communication policies. The aforementioned issues related to the company's financial performance and ability to enhance shareholder value can also be interpreted as belonging to the umbrella concept of 'financial reputation' (Deephouse, 1997, as cited in Dolphin, 2004, p. 26). Additionally, enhancing corporate value – a concept that encompasses topics related to e.g. the company's credibility, reputation and valuation – is also mentioned by the National Investor Relations Institute in their account of the tasks of IR communication (NIRI, 2004, as cited in Laskin, 2005, p. 242).

Increased trust, enhanced visibility, credibility and reputation, and decreased share price volatility and risk are ultimately connected to the company's cost of capital. Indeed, many researchers argue that IR communication practices can lower the company's cost of capital (Allen, 2004, p. 4; Argenti, 2009, p. 207; Higgins, 2000, p. 29; Laskin, 2005, p. 252; Laskin, 2008, p. 75; Mars, Virtanen & Virtanen, 2000, p. 45; van Riel, 1992, p.12), which is a highly relevant factor for virtually all companies: simply put, it indicates that effective and successful IR communication can make the company's life in the financial markets easier. Figure 6 summarizes the key outcomes of the preceding discussion.
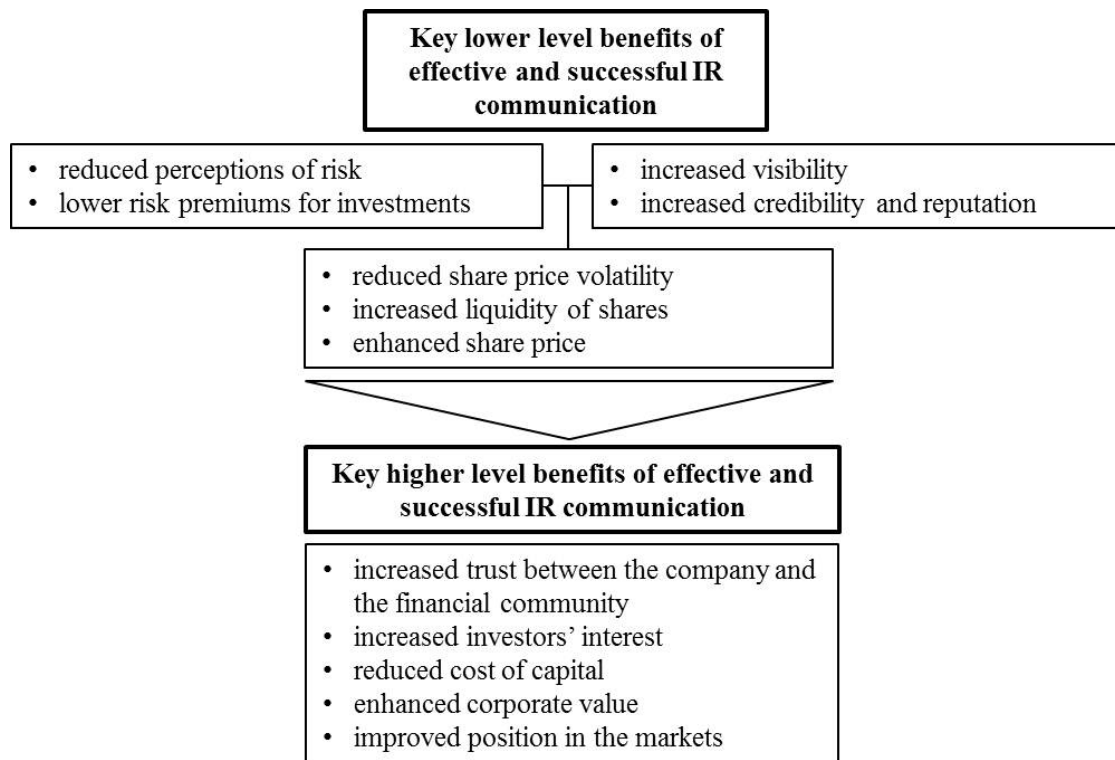
Figure 6. Key benefits of effective and successful IR communication (adapted from e.g. Allen, 2004; Argenti, 2009; Laskin, 2005; Mars, Virtanen & Virtanen, 2000).

Figure 6 first depicts the key lower level benefits of effective and successful IR communication, for instance reduced perceptions of risks and increased visibility, and then connects them to the higher level benefits like increased trust and reduced cost of capital. Despite its structure, Figure 6 does not evaluate the importance or rank of different benefits. Instead, it maps the interconnections between these phenomena by using different levels and the arrow.

To sum up the discussion, effective and successful IR communication can provide the company with numerous benefits related to for example audiences' perceptions of risk, the company's visibility, credibility and reputation, and shareholder structure and share price performance. Such elements can ultimately contribute to the company's cost of capital and market position. Because of the fragmented nature of the existing academic and practitioner views, section 2.2.3 did not aim at formulating an all-encompassing account on these issues.

2.2.4 The Internet as an IR communication context

The following discussion moves the focus from analyzing IR communication per se to the role of the Internet as a communication context for IR purposes. The section approaches the topic by examining the key characteristics and benefits of Internet-based IR communication and studying the reasons for a number of companies using the Internet as one of their primary communication contexts for IR purposes. A detailed look at the characteristics of effective IR websites will also be taken.

Internet-based IR communication is a tempting method for communicating with the financial community and other stakeholders. Debreceny and Gray (1999) predicted in the end of the 1990s that the Internet will become an influential communication context for financial disclosure purposes. They were right: as Mars, Virtanen and Virtanen (2000, pp. 167-171) confirm, official corporate websites with specific IR sections are a must for in particular public listed companies today. Nevertheless, Mars et al. (2000, pp. 167-171) and Allen (2004, p. 19) remind that the Internet cannot completely replace other forms of IR communication, for example personal meetings. This view is also supported by Higgins (2000, p. 57), who argues that the Internet is "still basically a tool – a medium": quality, clarity and relevance of information should always be number one priorities in IR communication, not the communication channels or contexts as such. However, as will be elaborated upon next, the importance of Internet-based IR communication remains undisputed.

The key characteristics and benefits of Internet-based communication presented in section 2.1.2 are applicable to Internet-based IR communication. Information can be distributed quickly and accurately (O'Kane, Hargie & Tourish, 2004, pp. 76-78), and Internet-based IR communication also provides the benefits of wide reach, flexibility, low distribution costs (Debreceny, Gray and Rahman, 2002) and versatility (Jones & Xiao, 2004, p. 238). Appropriate examples of the versatile nature of Internet-based IR communication are different multimedia features and possibilities for online meetings between the company and its stakeholders (Geerings, Bollen & Hassink, 2003). Such features, according to Geerings et al. (2003), were rare in the early 2000s, though, but the situation has changed since then, thanks to the quick technological development.

Finally, the Internet can be seen as an efficient archive where older information and documents can also be found (Mars, Virtanen & Virtanen, 2000, pp. 167-169).

Many of these elements are purely technical issues, and hence they alone give a somewhat incomplete picture of the key benefits of Internet-based IR communication. The benefits of IR communication discussed in section 2.2.3 – for instance reduced perceptions of risk and the company's enhanced visibility – are intertwined with Internet-based IR communication. However, perhaps the most defining benefit and, simultaneously, a defining characteristic of Internet-based IR communication is that information can be equally distributed to a wide audience. Today, individual investors can be provided with the same relevant and timely information that previously was virtually a privilege of professional investors, analysts and other more influential members of the financial community (Ettredge, Richardson & Scholz, as cited in Bollen, Hassink & Bozic, 2006, p. 275). Reduction of information asymmetry between different stakeholders (Debreceny, Gray & Rahman, 2002) in turn increases the importance and influence of individual investors in the future (Mars, Virtanen & Virtanen, 2000, p. 167). This again is linked to the discussion of section 2.2.3: lower level of information asymmetry increases among other things corporate visibility and transparency, enhances reputation and decreases stakeholders' perceptions of risk.

While the preceding discussion shed light on the benefits and characteristics of Internet-based IR communication, the present study has not yet identified the actual features behind effective Internet-based IR communication and, more specifically, behind effective IR websites. The following discussion addresses this topic.

According to Mars, Virtanen and Virtanen (2000, p. 169), the following elements should be interpreted as criteria of effective IR websites. Information should be up-to-date, relevant for the audiences and aligned with other IR-related messages. The websites should also be easy to use, well designed, interactive and, to some extent, customizable. In addition, Mars et al. (2000, p. 169) suggest the websites should function as an archive of important information. IR practitioner Gaulke (2007), on the other hand, emphasizes the following. Navigation on the websites should be easy, and the websites should not be burdened with too complex graphic features. If necessary,

the websites should provide links to relevant external sources. Additionally, the websites should have a personal feel and they should be regularly tested and compared with other companies' IR websites.

Gaulke (2007) also provides a detailed check-list that describes the most important information and technical issues relevant for IR websites. According to him, the company's IR websites should communicate all information needed for the investment decision. This consists of the following elements: company profile, up-to-date company presentations, corporate governance information, share information, share performance figures and benchmarks, annual and interim reports as both browser-based and downloadable files, analyst and press reports, press releases and ad-hoc releases, audio and video presentations, relevant speeches and analyst conferences, financial calendars and possibilities for further information requests. More specifically, the company presentations should positively contribute to the visitors' first impressions by communicating all fundamental basic information about the company, its products and / or services, organizational structure and the board of directors.

Furthermore, Gaulke (2007) suggests that IR websites should provide genuine possibilities for dialogue between the company and the target audience. In other words, IR websites should communicate all relevant contact information, including IR contact information. Preferably, IR websites should also contain live streaming or video features from the company's annual general meeting. In addition, Gaulke (2007) argues that reminder services and frequently asked questions sections are important contributors to the dialogical nature of IR websites. Finally, he confirms that IR websites should be easy and quick to use. This can be achieved by implementing help and navigation functions, sitemaps, capitalizing on audio and video features to present complex messages, and aligning IR website design with the overall corporate design.

This discussion can be supplemented and specified by the issues presented by Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30). According to him, IR websites should be linked to the front page of the corporate websites in order to increase accessibility. In addition, he suggests that IR websites should provide information about the following topics: shareholder register that presents the company's largest

shareholders, share holdings of the company's management, insiders' register, share price and dividend history, and financial ratings and risk analyses. Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30) also argues that comprehensive market and result analyses, information about the competitive landscape as well as the company's strategy, vision and history should be presented on the IR websites. For increasing the personal feel and examining the company's media coverage, he suggests that IR websites should contain CEO letters, management statements and relevant newspaper articles.

Finally, the following issues presented by Virtanen (2010, pp. 173-176) should be taken into account. First, IR websites should contain comprehensive risk and sensitivity analyses. Second, the company should pay attention to presenting information about debt structures, maturities, interest premiums and other issues related to credit facilities. Third, IR websites should describe the company's impairment testing principles and, fourth, sustainability and responsibility reports should be available. According to Virtanen (2010, pp. 173-176), the first three points were emphasized in the 2009 IR website competition arranged by the Finnish Foundation for Share Promotion, while the last point, sustainability and responsibility reporting, has become increasingly important in the modern business world.

The preceding discussion based on Gaulke (2007), Mars, Virtanen and Virtanen (2000, p. 169), Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30) and Virtanen (2010, pp. 173-176), forms a comprehensive list of the key issues that should be taken into account when designing and implementing IR websites. Indeed, the discussion was used as a part of the qualitative content analysis applied in the findings part of the present study. It should be noted that even though Salminen (2008) uses a similar list in her study of the IR websites of Ramirent Plc, the Finnish machinery rental company, the present study is clearly differentiated by the nature of the research questions and the types of data.

In sum, this section discussed the Internet as a communication context for IR purposes. The discussion indicated that the Internet has in a sense revolutionized IR communication and that Internet-based IR communication has become a must for at least public listed companies. Despite its diverse benefits and abilities, among the most

relevant of which is its ability to reduce information asymmetry between the company's different stakeholders, the Internet should still be seen as a medium for IR purposes rather than a key asset as such. Thus, the messages play the most important parts in Internet-based IR communication. However, in order to maximize the communicative value of IR websites, numerous issues related to e.g. contents, navigation, usability, design, customizable features and other technical issues should be considered. Indeed, the account of these issues presented in this section was applied in the qualitative content analysis conducted for the present study; this makes section 2.2.4 fundamentally important for this Master's Thesis. Anyway, the discussion should be interpreted carefully in order to avoid conflicts: for example, audio and video features can be highly efficient in clarifying complex messages, but their excessive use often clashes with the ideals of website clarity and usability.

To conclude subchapter 2.2, IR communication is a somewhat fragmented area, whose relation to other fields of business communication remains contradictory. In this study, IR communication is interpreted as an independent function in a similar vein as KONE's IR function operates independently. Despite the confusion and the fact that some researchers see IR as an underdeveloped field from the communication theoretical aspect, IR communication has a wide array of different tasks. Additionally, effective and successful IR communication can provide the company with numerous benefits that can ultimately have positive financial consequences. The field is also seen as experiencing a continuous change process, and in particular the Internet has fundamentally influenced IR communication. However, actual messages are still the most important elements instead of communication channels or contexts.

2.3 Corporate reputation

This subchapter first defines the concept of corporate reputation and its characteristics, after which the subchapter investigates how corporate reputation affects the company's overall business performance. In addition, the effects of corporate reputation on the relation between the company and the financial community will be examined. The specific relation between Internet-based IR communication and corporate reputation will be investigated later in subchapter 2.4.

2.3.1 Definition and characteristics of corporate reputation

This section provides a definition of corporate reputation and describes its most important characteristics. As was the case with IR communication, definitions of corporate reputation are diverse and often somewhat ambiguous. Nevertheless, reputation is a concept that has increasingly gained attention among both academics and business practitioners (see e.g. Argenti, 2009, pp. 67-104; Aula, 2010, 2011a, 2011b; Aula & Heinonen, 2011; Cornelissen, 2011, pp. 59-78; Doorley & Garcia, 2007; Gotsi & Wilson, 2001; Grützmacher, 2011; Laaksonen, 2011).

Argenti (2009, p. 83) defines corporate reputation as a phenomenon that is constructed over time by both internal and external audiences: it is therefore based on the perceptions of all of the company's constituencies. Fombrun (1996, as cited in Doorley & Garcia, 2007, p. 3) also accentuates the importance of both internal and external audiences and defines corporate reputation as "the sum of the images the various constituencies have of an organization". Gray and Balmer (1998, p. 687) see corporate reputation in similar terms as the aforementioned researchers: they argue corporate reputation "typically evolves over time as a result of consistent performance" and that corporate reputation can be reinforced with communication practices. Their view emphasizes that good corporate reputation cannot exist without concrete actions. The concept of financial reputation, the way in which healthy and consistent financial performance enhances corporate reputation, is closely linked to this (Deephouse, 1997, as cited in Dolphin, 2004, p. 26). Additionally, Gray and Balmer (1998, p. 687) state that communication can have a significant effect on corporate reputation.

The vital role of communication in reputation management is also stressed by Gotsi and Wilson (2001), who synthesize different definitions of corporate reputation and develop a new definition. The definition by Gotsi and Wilson (2001, p. 29) suggests that "corporate reputation is a stakeholder's overall evaluation of a company over time. This evaluation is based on the stakeholder's direct experiences with the company, any other form of communication and symbolism that provides information about the firm's actions and / or a comparison with the actions of other leading rivals." This definition is comprehensive and will thus be applied in this study.

At this point it is worthwhile to make a distinction between the concepts of corporate reputation, image and identity. Argenti (2009, p. 83) writes that the fundamental difference between corporate image and corporate reputation is that image is like a perception at a given point of time, whereas reputation is built up over time. Another distinction presented by Argenti (2009, p. 83) is that corporate identity is constructed by internal audiences, i.e. the company's employees, whereas corporate reputation is constructed by all internal and external audiences. These phenomena are of course intertwined, but reputation will be mostly discussed independently in this study. Figure 7 illustrates the key points of the preceding discussion and illustrates the corporate reputation framework that will be applied in this study.
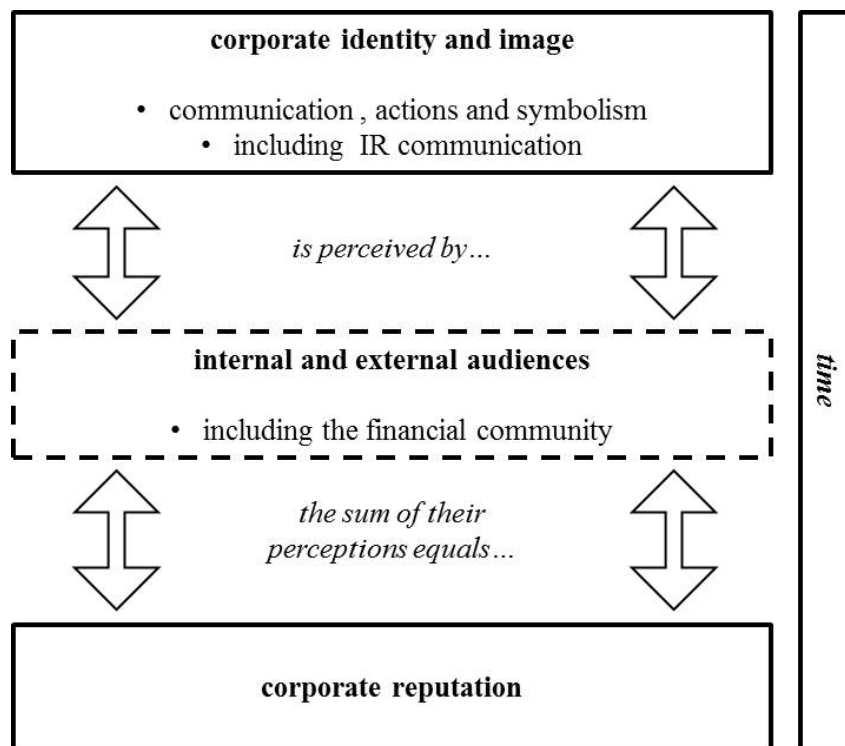
Figure 7. Corporate reputation framework applied in the study (adapted from Argenti, 2009; Gotsi & Wilson, 2001).

Figure 7 depicts a framework whose basic structure is similar to the structure used by Argenti (2009, p. 83). As can be seen in Figure 7, corporate identity and image are defined by the company's communication, actions and symbolism. These elements are

in turn perceived by both internal and external audiences, and the sum of these perceptions defines the company's reputation over time.

In sum, corporate reputation is a concept that has received increasing interest from both academics and business practitioners. There are various conceptualizations for corporate reputation, and the notion by Gotsi and Wilson (2001, p. 29) is used as the foundation of the reputation framework applied in the present study. The most defining element of the framework is that reputation is accumulated over time from both internal and external audiences' perceptions. Additionally, IR communication activities are interpreted as a major contributor to the audiences' perceptions of the company.

2.3.2 Impact of corporate reputation on business performance

This section examines the impacts of corporate reputation on business performance. Indeed, many researchers and business practitioners confirm that corporate reputation influences business performance in multiple ways, many of which can ultimately have financial consequences (see e.g. Aula, 2011a; Aula & Heinonen, 2011; Argenti, 2009, p. 84; Chun, 2005; Doorley & Garcia, 2007, p. 4; Mazzola, Ravasi & Gabbioneta, 2006).

According to the 2008 Hill & Knowlton Corporate Reputation Watch, 96 per cent of respondents, MBA students at 12 top ranked international business schools, believed that "a company that fails to look after reputational aspects of performance will ultimately suffer financially too" (Hill & Knowlton, 2008, p. 7). An earlier Hill & Knowlton Corporate Reputation Watch also supports this finding: in the 2006 Watch, 90 per cent of respondents, financial analyst, agreed on the importance of corporate reputation in a similar vein (Hill & Knowlton, 2006, as cited in Argenti, 2009, p. 84). This indicates that maintaining corporate reputation should have a high priority on top managers' agendas. Next, a detailed look at how corporate reputation affects a company's or other kind of an organization's performance will be taken.

Broadly speaking, positive corporate reputation enhances a company's competitive edge and position on the market through numerous factors (Fombrun & Shanley, 1990, as cited in Aula, 2011a), the most relevant of which are presented next. Weigelt & Camerer (1988, as cited in Aula, 2011a) argue that corporate reputation can enhance

perceived product or service quality. Respectively, according to Chun (2005), good product or service quality can further strengthen corporate reputation. These issues also have indirect effects: a customer happy with the product or service is likely to share his or her positive experiences. This kind of word-of-mouth communication further enhances corporate reputation (Weigelt & Camerer, 1988, p. 450, as cited in Chun, 2005, p. 104).

Perceived product or service quality is closely linked to increased customer satisfaction and loyalty (Argenti, 2009, p. 84; Chun, 2005). In addition, according to Argenti (2009, p. 84), business partners also appreciate good corporate reputation. Loyalty, be it customer, business partner, employee or investor loyalty, is something that can give the company a competitive edge (Reichheld, 1996). However, Reichheld (1996) also argues that the importance of loyalty is unfortunately often neglected by companies.

In addition to the aforementioned issues – perceived product or service quality and customer and business partner satisfaction and loyalty – corporate reputation also influences and is influenced by employee satisfaction and retention (Argenti, 2009, p. 84; Chun, 2005, p. 104). In the modern, competitive business world, a company with a good reputation has a competitive advantage when it comes to recruiting new employees. According to Argenti (2009, p. 84), Aula and Heinonen (2011) and Hill & Knowlton (2008), corporate reputation plays a part especially in the competition for the most talented employees. More specifically, around three out of four respondents in the 2008 Hill & Knowlton Corporate Reputation Watch said that "corporate reputation plays an extremely or very important role when considering where to work after completing their MBA" (Hill & Knowlton, 2008, p. 7).

Corporate reputation is important not only to job candidates but to existing employees also. Some academics (see e.g. Argenti, 2009, p. 84; Helm, 2007, as cited in Grützmacher, 2011, p. 32; Winkleman, 1999, as cited in Chun, 2005, p. 104) suggest that good reputation lowers employee turnover, i.e. ensures employee retention and loyalty. These employee-related matters are also linked to perceived product or service quality and customer or business partner satisfaction and loyalty. Highly motivated and loyal employees possess good opportunities to learn their customers better and build

stronger personal relationships with them. They are also more likely to learn best practices and thus improve their efficiency. (Reichheld, 1996, pp. 46, 91). This interplay between 'happy employees', 'happy customers' and 'happy business partners' is intuitive, yet highly relevant for companies and other organizations.

Moreover, solid corporate reputation can be beneficial in crisis situations. Argenti (2009, p. 84) uses Johnson & Johnson's (J & J) Tylenol crisis of the early 1980s as his example and states that it was especially J & J's strong corporate reputation that helped the company to weather the difficult situation. The role of corporate reputation in crisis situations is emphasized in other studies also. Laufer and Coombs (2006) suggest that corporate reputation and different consumer-based cues, for example gender and nationality, should be considered when planning the corporate response in a crisis situation.

Siomkos and Kurzbard (1994, as cited in Laufer & Coombs, 2006, pp. 380-381), on the other hand, found that "consumers' likelihood to purchase the product after a product harm crisis increased in relation to the company's favorability of reputation". This finding is in line with the outcomes of J & J's Tylenol crisis: good corporate reputation can ultimately save a damaged brand and thus have positive financial effects. Aula and Heinonen (2011, pp. 22-23) and van Riel and Fombrun (2008) also provide evidence for this assumption: companies with good reputations usually suffer less from market decline than companies with weak reputations.

To summarize section 2.3.2, corporate reputation can affect the company's overall business performance on multiple levels that can eventually have financial effects. These levels include perceived product or service quality, customer, business partner and investor loyalty, employee satisfaction and retention and the company's attractiveness in the eyes of potential employees. Additionally, as Johnson & Johnson's Tylenol incident illustrated, strong corporate reputation can prove to be an effective crisis management tool and a shelter against market declines.

2.3.3 Corporate reputation and the financial community

Companies with strong reputations are both intuitively and measurably attractive

investment targets. As was discussed in the previous section, companies with good corporate reputations enjoy from enhanced business performance on multiple levels than companies with weak reputations. Enhanced business performance in turn stems from competitive advantages like better perceived product or service quality, stronger relationships with customers, business partners and investors, and motivated and loyal employees. Good business performance, already by definition, is reflected in the company's value and its performance on equity markets. Argenti (2009, p. 84) for instance argues that the most admired companies listed by Fortune magazine, i.e. the companies with the best reputations (Fortune, 2011), outperformed the Standard & Poor's S&P 500 Index in four out of five years between 1994 and 1999. However, as will be discussed later, Fortune magazine's rankings provide a somewhat narrow view to the concept of corporate reputation.

Interrelations between corporate reputation and financial performance and, thus, the relations between corporate reputation and the perceptions of the financial community, have especially been studied by reputation scholars representing the evaluative school (Chun, 2005). According to Chun (2005, p. 93), reputation is "assessed from its financial value or from the short-term financial performance of the organization" in the evaluative school. Such an approach is related to the concept of financial reputation suggested by Deephouse (1997, as cited in Dolphin, 2004, p. 26).

Fryxell and Wang (1994), scholars representing the evaluative school (Chun, 2005, p. 94), state the concept of corporate reputation reflected in Fortune magazine's reputation rankings virtually encompasses the company's ability to meet its financial targets – in other words the company's financial reputation. Thus, they regard Fortune's rankings simply as lists of financially best-performing companies. Another example of the work by the evaluative school is the study by Srivastava, McInish, Wood and Capraro (1997), in which the researchers provide empirical evidence that solid corporate reputation can alter the perceived riskiness of the company and thus increase shareholder value. They use Fortune magazine's reputation ranking from 1990 as their data; the study, then, focuses particularly on companies' financial reputation.

As the preceding discussion suggested, the views by scholars from the evaluative school are rather utility-driven as they revolve around companies' financial reputations. Of course, this is a relevant aspect for the purposes of the present study: the financial community is considered the company's key stakeholder group, and consistent financial performance is interpreted as a factor that promotes the company's attractiveness in the eyes of its stakeholders.

Positive financial performance is only one aspect to the topic, though. The study by Mazzola, Ravasi and Gabbioneta (2006) suggests the following elements are important contributors to the company's reputation in the eyes of the financial community alongside with sound financial performance. First, the management's personal business experience, reputation and involvement in IR activities can significantly enhance the company's reputation. Second, Mazzola et al. (2006) promote the importance of comprehensive communication practices related to the company's strategic intents, their expected results as well as communication activities related to market trends and their causal linkages in the company's operating environment. Third, the company should possess credible and rigorous internal control systems and, fourth, the company's disclosure practices should exceed the legal requirements. According to Mazzola et al. (2006, p. 403), the relevance of internal control systems is related to the role and quality of internal auditors and their relations to the company's management.

The discussion about the relations between reputation and the financial community is intertwined with the concept of loyalty. As was the case with customers, business partners and employees (see e.g. Argenti, 2009, p. 84; Chun, 2005; Reichheld, 1996), loyalty is a relevant topic also here. According to Reichheld (1996), loyal investors can be a great competitive advantage for the company. On the other hand, investors solely interested in short-term trading and profits, "wrong investors", as Reichheld (1996, p. 155) calls them, can be harmful. Investor patience and loyalty positively correlates with share price volatility, the company's cost of capital and, eventually, the company's success in the financial markets (Argenti, 2009, p. 207; Higgins, 2000, p. 30; Reichheld, 1996, pp. 155-156). Figure 8 below synthesizes the key outcomes of the discussions of sections 2.3.2 and 2.3.3 by illustrating how corporate reputation influences and is

influenced by the company's business performance and the financial community's perceptions.
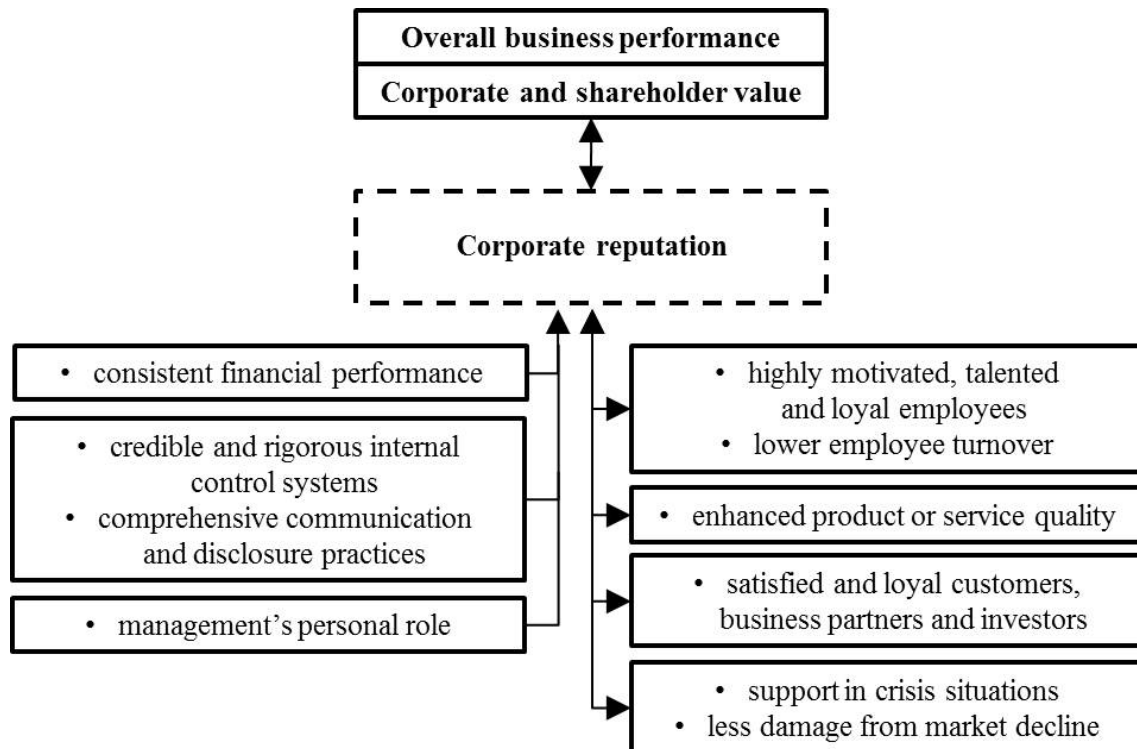
Figure 8. Impact of corporate reputation on business performance and the financial community's perceptions (adapted from e.g. Argenti, 2009; Aula & Heinonen, 2011; Chun, 2005; Mazzola, Ravasi & Gabbioneta, 2006; Reichheld, 1996).

As can be seen in Figure 8, enhanced business performance and corporate and shareholder value are understood as higher-level outcomes of solid corporate reputation. At the same time, both elements are interpreted as important contributors to corporate reputation per se. The issues presented on the left-hand side of Figure 8 are seen as elements that mostly contribute to corporate reputation, whereas Figure 8 describes the issues on the right-hand side as elements that both influence and are influenced by corporate reputation. As mapping all possible connections between the different phenomena would be challenging, Figure 8 in not an exhaustive account on the topic.

To summarize section 2.3.3, solid corporate reputation can significantly enhance the financial community's perceptions of the company and for instance attract patient investors, lower share price volatility and hence improve the company's position in the

financial markets. This effect often stems from the fact that good reputation usually leads to better financial performance. In addition, the discussion indicated that issues like management's personal role and extensive disclosure practices are important contributors to corporate reputation.

To conclude, subchapter 2.3 described corporate reputation as a phenomenon that is constructed as a sum of both internal and external audiences' perceptions of the company or organization over time. The concept has acquired increasing attention, as solid reputation can contribute to elements like perceived product or service quality, stakeholder loyalty, employee satisfaction and retention, recruitment of new talents and the organization's success in weathering crisis situations. These issues can eventually lead to positive financial consequences. In addition, corporate reputation can affect the financial community's perceptions of the company and improve the company's position in the markets. Even though financial performance and financial reputation seem to be the key factors in the process, issues like management's personal role, the company's communication activities, and internal control and disclosure practices also play parts. As the concept of corporate reputation is an essential building block of the research gap of the present study, a detailed discussion of the topic can be justified.

2.4 Internet-based IR communication and corporate reputation

This final subchapter of the literature review synthesizes the concepts of the Internet, IR communication and corporate reputation by discussing the relation between Internet-based IR communication and corporate reputation. As this area has not been extensively studied before, it is necessary to draw conclusions from earlier parts of the literature review. Before analyzing the relation between Internet-based IR communication and corporate reputation, the subchapter first addresses reputational challenges and possibilities of Internet-based business communication on a more general level.

Even though the Internet, regardless of the type of communication it is used for, has revolutionized the field of business communication, it has also created new challenges for companies and other organizations participating in Internet-based business communication. Corporate reputation and corporate reputation management are

appropriate examples of business-related concepts that have been affected by the rise of the Internet as a business communication context.

The studies by Aula (2011a, 2011b), Aula and Heinonen (2011) and Laaksonen (2011) are examples of studies that approach the impact of Internet-based communication and digital publicity on corporate reputation from various aspects. Aula and Heinonen (2011) in particular emphasize the role of social media services as factors influencing corporate reputation. There are numerous studies concentrating on narrower topics also available. For example, the following relations have been examined: corporate reputation and social media (Aula, 2010; Grützmacher, 2011); corporate reputation and blogs (Argenti, 2009, pp. 170-171; Valor, 2009); corporate reputation and news forums (Park & Lee, 2007); corporate reputation, online shopping and marketing (Caruana & Ewing, 2010). Some researchers (see e.g. Aula, 2011a; Laaksonen, 2011) accentuate the fact that when conducted poorly, Internet-based communication can pose a risk to the company's reputation. Valor (2009), on the other hand, states "the Internet is the best tool for improving reputation that has yet been created". Regardless of the view, the impact of the Internet on corporate reputation management remains undisputed.

Relations between IR communication and corporate reputation have been researched to some extent, especially if the studies examining the concepts of financial reputation, credibility and trust between the company and the financial community are taken into consideration (see e.g. Allen, 2004, p. 4; Argenti, 2009, p. 208; Mars, Virtanen & Virtanen, 2000, pp. 26-27; Mazzola, Ravasi & Gabbioneta, 2006; Minow, 2002, as cited in Laskin, 2005, p. 245). These themes are intertwined with the broader concept of corporate reputation. As the themes have already been examined in the present study, it is worthwhile to make conclusions based on the earlier discussions in order to shed light on the novel topic of Internet-based IR communication and corporate reputation.

Internet-based business communication activities, including IR communication, have many distinctive characteristics stemming from the very nature of the Internet as a communication context. Section 2.1.2 identified speed, accuracy (O'Kane, Hargie & Tourish, 2004, pp. 76-78), reach, low distribution costs (Debreceny, Gray & Rahman, 2002) and versatility (Jones & Xiao, 2004, p. 238) as some of the defining

characteristics of Internet-based business communication. These factors are important contributors to the fact that Internet-based IR communication activities, as will be discussed next, can significantly influence corporate reputation.

Reduction of information asymmetry between different stakeholders is one of the key benefits of Internet-based IR communication (Debreceny, Gray & Rahman, 2002; Mars, Virtanen & Virtanen, 2000, p. 165). This, according to Ettredge, Richardson and Scholz (as cited in Bollen, Hassink & Bozic, 2006, p. 275), indicates that every single investor or person otherwise interested in the company can be provided with the same information that was previously only available to selected members of the financial community. Additionally, Mars et al. (2000, pp. 167-168) argue that Internet-based IR communication makes distribution and storage of detailed information possible. These issues can be interpreted as factors that not only decrease information asymmetry but also enhance the overall service level provided by the company. Better perceived service quality, on the other hand, enhances corporate reputation (Chun, 2005), which in turn is suggested to increase for instance investor loyalty (Reichheld, 1996).

Being able to enhance corporate reputation through strengthening information flows and reducing information asymmetry between the stakeholders is an important 'macro-level' benefit of Internet-based IR communication. However, as the findings part of the present study in particular examines 'micro-level' factors like contents, structure and usability of KONE's Internet-based IR communication practices, it is important to identify some of the mechanics through which such 'micro-level' issues affect stakeholders' perceptions of the company and corporate reputation.

In their article, Braddy, Meade and Kroustalis (2008) investigate the effects of organizational familiarity, website usability and website attractiveness on users' impressions of organizations. Even though online recruiting is their major domain, the most important findings are applicable in the present study. Braddy et al. (2008, p. 2998) state that "a well-designed organizational website can have a considerable impact on improving viewers' impressions of the organization". Simply put, they identify both website usability and attractiveness as factors that positively correlate with corporate image. The study by Hong and Rim (2010) supports this view

by confirming that the use of corporate websites can enhance customers' trust in the company, especially if the company is perceived as socially responsible.

Braddy, Meade and Kroustalis (2008) and Hong and Rim (2010) do not explicitly discuss the concepts of corporate reputation or IR communication in the articles. However, corporate image, according to Argenti (2009, p. 83), is directly connected to corporate reputation. Even though Hong and Rim approach their topic from an individual customer's viewpoint, their findings can be applied to IR websites: trust, a concept that has emerged in numerous occasions throughout this study, is a key concept in IR communication after all (see e.g. Minow, 2002, as cited in Laskin, 2005, p. 245).

Naturally, there are issues related to Internet-based IR communication, and IR communication in general, that can have adverse effects on corporate reputation. Virtanen (2010, pp. 216-234) identifies relevance and timeliness of information as major challenges of IR communication. Taking these issues into consideration is important, because, as Higgins (2000, p. 57) states, "they [analysts and other members of the financial community] want timely, specific, quality information and they want it in bad times as well as good". Furthermore, Higgins (2000, p. 57) argues that strategic credibility and, thus, corporate reputation, is not always awarded to the companies with the most complex and modern communication methods, but instead to the companies that use the technology "to deliver consistent, candid, credible messages to the investment community". Distributing low-quality, irrelevant and outdated information can then be seen as poor service, an issue that damages reputation (Chun, 2005).

Another challenge characteristic to virtually any form of Internet-based communication is that individual users have significant influence in the Internet. In most countries, individual users can freely and quickly express their opinions about the company and hence pose a risk to the company's reputation (Laaksonen, 2011; Park & Lee, 2007). Valor (2009) also identifies this challenge and states that "negative reports spread quickly on the Internet and can hit home with others who have had similar experiences". An illustrative example of individual Internet users' influence is the Finnish dairy product company Valio's Facebook profile, which has continuously been attacked by representatives of anti-nuclear power organizations (Laaksonen, 2011; Valio, 2011).

Challenges related to use of social media and blogs have become relevant for IR communication professionals also. Companies, particularly those operating in business-to-consumer environments, already have blogs and social media communities dedicated to IR communication purposes (Virtanen, 2010, pp. 185-186).

As a conclusion, this subchapter suggested that Internet-based IR communication can influence corporate reputation in numerous ways. On the one hand, it can increase information flows and reduce information asymmetry between the company's stakeholders and hence increase the perceived service level. This is in turn connected to investor, loyalty. On the other hand, well designed and implemented IR websites can enhance corporate image and audiences' trust in the company. Internet-based IR communication is subject to many reputational risks, the most relevant of which stem from individual Internet users' power as opinion leaders and the possibilities of communicating low-quality, irrelevant and outdated information. All things considered, the interplay between Internet-based IR communication and corporate reputation is a highly important concept not only for the research framework of the present study but also for all companies communicating IR matters in the Internet.

2.5 Research framework

This section presents the research framework of the present study. The framework synthesizes the key concepts of the study, presents their interrelations, and connects the concepts and their interrelations to the case company context. Figure 9 below illustrates the research framework.
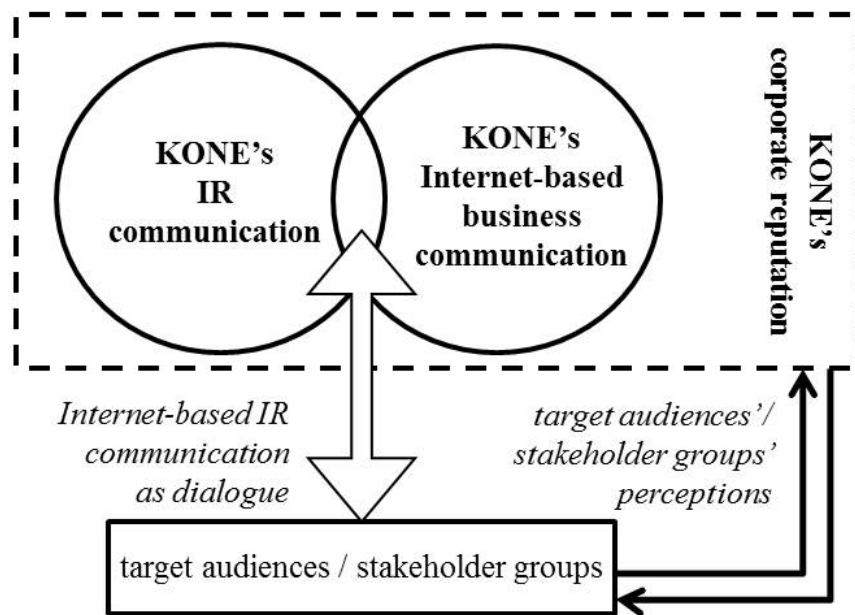
Figure 9. Research framework of the present study.

As can be seen in Figure 9, KONE's Internet-based IR communication activities are seen as the overlapping area between the company's IR communication and Internet-based business communication. The concept of business communication is applied throughout the study: as was discussed in section 2.2.1, the present study interprets IR communication as an independent communication function located in the broad field of business communication rather than for example under the concept of corporate communication. The basic understanding of the concept of business communication is adapted from Louhiala-Salminen (2009).

The approach of Figure 9 encompasses the case company's official English-language IR websites and all other information relevant for IR communication purposes presented on the corporate websites. The framework depicts KONE's Internet-based IR communication as two-way dialogue between the company and the target audiences; the importance of this kind of dialogue is emphasized by for instance Gaulke (2007). As has been discussed earlier, building mutual trust through dialogue is a key task of IR communication (see e.g. Minow, 2002, as cited in Laskin, 2005, p. 245). Even though every Internet user can visit KONE's IR websites and other parts of the corporate

websites, the financial community is seen as the most important audience or stakeholder group in this study.

On the right hand side of Figure 9 is the concept of corporate reputation. As reputation is an abstract concept, it is depicted by a broken line that surrounds the company context. The corporate reputation framework, which was presented in section 2.3.1, is adapted from Argenti (2009, p. 83) and Gotsi and Wilson (2001, p. 29): reputation is interpreted as a phenomenon that both influences and is influenced by audiences' perceptions and direct experiences with the company or its communication activities. In addition, reputation is constructed over a longer period of time. As this process differs from IR dialogue, two different arrow types are used in Figure 9.

The research framework presents KONE's Internet-based IR communication activities as important contributors to audiences' perceptions and corporate reputation. The impact of corporate reputation on the company's overall business performance is understood as discussed in subchapter 2.3: solid reputation can influence the company's business performance on multiple levels and ultimately have positive financial consequences (see e.g. Aula, 2011a; Aula & Heinonen, 2011; Argenti, 2009, p. 84; Chun, 2005; Doorley & Garcia, 2007, p. 4; Mazzola, Ravasi & Gabbioneta, 2006).

To conclude, the framework combines all relevant concepts and their interrelations in an appropriately illustrative, yet simple way. In addition, the framework connects these phenomena to KONE's context and hence moves the discussion from the general to the case company-specific level.

3 DATA AND METHODS

This chapter describes the data and the methods used in the present study. First, the chapter justifies the selection of case study design and describes the ways in which case study design can affect the nature of research. In addition, some key factors that should be taken into account during a case study research process are will be presented. Secondly, the chapter describes the data, data collection and analysis methods used in the present study. Finally, trustworthiness of the study will be examined.

3.1 Case study design

Perhaps the most defining characteristic of this study is its case study design, a research approach that "focuses on understanding the dynamics present within single settings" (Eisenhardt, 1989, p. 534). Indeed, the present study can be positioned to this 'single settings' category, as the analytical part almost solely concentrates on KONE's Internet-based IR communication practices, KONE's corporate reputation, and the ways in which the company could capitalize on modern communication technologies in its IR communication. The expression 'almost solely' is used here, because many findings of the present study are applicable outside the case company context. However, the research setting, a single organization operating in the elevator and escalator industry (KONE, 2011a), naturally limits the applicability of some findings. Case study design was chosen, as the research questions were been formulated in co-operation with KONE. Additionally, the study provides some practical recommendations for the company.

In addition, case studies are useful when exploring an area that has not been extensively studied before (Eisenhardt, 1989; Flyvbjerg, 2004). Eisenhardt (1989, p. 546) emphasizes that "one strength of theory building from cases is its likelihood of generating novel theory". As the relation between Internet-based IR communication and corporate reputation has not received much attention before, using case study design is justifiable. Even though the main purpose of this study is not to generate new theories, case study design is an ideal approach for investigating and exploring the existence of these relations. Generating new theories based on the research questions of this Thesis

would be challenging, as the number of different issues covered is rather high. According to Eisenhardt (p. 547), researchers working on case studies might "lose their sense of proportion" because of the amount and diversity of data they are examining. Thus, resulting theories might turn out to be too complicated or overly simplifying. Additionally, questions related to subjectivity and researcher's possible bias are often seen as characteristic for case studies (Gibbert, Ruigrok & Wicki, 2008; Yin, 2003). As the present study is also subject to these issues, subchapter 3.4 is wholly dedicated to discussion about trustworthiness and, consequently, the perceived value of the study.

According to Eisenhardt (1989) and Yin (2003), case studies can be conducted using quantitative or qualitative methods or their combination. The research approach of the present study is in practice qualitative. However, understanding both approaches and their distinctive characteristics is important in order to be able to evaluate the strengths and weaknesses of the research process and its outcomes.

Quantitative approach, whose roots are in natural sciences and which has traditionally been the dominant strategy in business research, emphasizes the role of quantifiable, measurable and standardized source data and testing of theories instead of generation of theories. In comparison, qualitative approach to research often concentrates on meanings expressed through words instead of standardized numbers, and generation of new theories instead of testing existing theories. (Bryman & Bell, 2003; Saunders, Lewis & Thornhill, 2007, p. 472). Qualitative research, as Bryman and Bell (2003, pp. 67, 282) argue, has become increasingly influential even though it has faced some resistance: qualitative methods might for instance show more ambiguous connections between theories and research than quantitative methods. Again, this topic – trustworthiness and the perceived value of the present study – will be discussed in more detail in subchapter 3.4.

As a conclusion, case study design is especially useful in examining novel areas and generating new theories that are closely connected to "real management situations" (Gibbert, Ruigrok & Wicki, 2008, p. 1465). Internet-based IR communication and its relation to corporate reputation is indeed a relevant topic for business practitioners, yet it has not received much attention. Using case study design is natural for this Master's

Thesis also because the research questions were formulated to meet the interests of the case company. Finally, problems stemming from subjectivity, biased attitudes and ambiguous connections between the theory and findings were mitigated through different measures: this area will be examined in more detail in subchapter 3.4.

3.2 Data description and collection

This subchapter describes the data and data collection methods used in the present study in more detail. The data sets consisted of selected parts of KONE's Internet-based IR communication practices, selected parts of five other companies' Internet-based IR communication practices, a focus group with KONE's internal audiences and four semi-structured interviews with KONE's external audiences. As was mentioned in subchapter 1.1, the expressions internal and external audiences are simply used to make a distinction between KONE's IR representatives and the extra-organizational actors interviewed for this Master's Thesis. Thus, even though the financial community is considered the most important target audience for KONE's IR communication activities, the terms do not aim at evaluating the audiences' roles in or impacts on the case company's IR communication.

3.2.1 KONE's Internet-based IR communication practices

The first data set consisted of KONE's Internet-based IR communication practices, most importantly the company's official English-language IR websites. This data functioned as the primary foundation of the analysis, and other data were used to support the analysis and provide contrastive findings that were interpreted as relevant for improving KONE's Internet-based IR communication. KONE's English-language IR websites and other relevant sections of the company's websites were accessed and analyzed during summer 2011. The websites were accessed for the last time on 25 August, 2011. The data set was divided into smaller sections in order to better connect the units under examination to the actual analysis. Table 1 summarizes this data set.

official name of the section	description	section referred to as in the text	section referred to as in the references
Company	Information about KONE, strategy, organization, history etc.	(KONE's) company overview section	KONE, 2011a
Contact	Information about contacting KONE, electronic forms, addresses etc.	(KONE's) contact information section	KONE, 2011c
Homepage	KONE's international homepage	(KONE's) homepage	KONE, 2011d
Investors	KONE's official English-language IR websites	(KONE's) IR websites	KONE, 2011b
News & events	KONE's press and stock exchange releases, image bank, media coverage etc.	(KONE's) news and events section	KONE, 2011g
Sitemap	Sitemap of KONE's international websites	(KONE's) sitemap section	KONE, 2011e
Solutions	Information about KONE's products, services, innovations etc.	(KONE's) solutions section	KONE, 2011f

Table 1. Data description of KONE's Internet-based communication practices

As Table 1 shows, KONE's Internet-based IR communication practices studied in this Thesis were divided into seven smaller sections. The left-hand column presents the official names of the sections in alphabetical order, i.e. the names that were presented on KONE's websites. The second column, on the other hand, briefly describes what kind of information was available under each section during the analysis, and the third column presents the names as which each section is referred to in the analytical part of the present study. Finally, the right-hand column presents the references of the sections. It is noteworthy to mention here that some complex data sections, the IR websites, for example, are further divided into smaller entities in the analysis. However, these occasions will be explicitly pointed out later in order to avoid confusion. Thus, it is unnecessary to present more detailed information here.

3.2.2 Selected companies' Internet-based IR communication practices

The second data set encompassed parts of Internet-based IR communication practices of five companies: Fortum, Metso, Neste Oil, FLSmidth and Eni. Again, the companies' English-language IR websites were the most relevant elements in the data set. This data set was used to critically compare KONE's Internet-based IR communication practices to other companies' IR activities and to bring multiple aspects to the study. All websites were accessed during summer 2011 and, more specifically, on 9 August, 2011 for the last time. Table 2 summarizes all relevant information about the second data set.

official name of the section	description	section referred to as in the text	section referred to as in the references
Investors (Fortum)	Fortum's official English-language IR websites	(Fortum's) IR websites	Fortum, 2011b
Investors (Metso)	Metso's official English-language IR websites	(Metso's) IR websites	Metso, 2011b
Investors (Neste Oil)	Neste Oil's official English-language IR websites	(Neste Oil's) IR websites	Neste Oil, 2011b
About FLSmidth (FLSmidth)	Information about FLSmidth, vision, strategy, business logic etc.	(FLSmidth's) company overview section	FLSmidth, 2011a
Investor relations (FLSmidth)	FLSmidth's official English-language IR websites	(FLSmidth's) IR websites	FLSmidth, 2011b
Investor relations (Eni)	Eni's official English-language IR websites	(Eni's) IR websites	Eni, 2011b

Table 2. Data description of the selected companies' Internet-based IR communication practices

As can be seen in Table 2, selected companies' Internet-based IR communication practices used as data in this study were divided into six sections. More specifically, the analysis was mostly based on the companies' official English-language IR websites. The left-hand column describes the official names of the sections in the same order as they are discussed in this study. The corresponding company names are presented in parentheses. The second column summarizes what kind of information was distributed

under each section, and the third column presents the names as which each section is referred to in the analysis. The fourth column in turn presents the references of the sections. As is the case with the first data set, some complex sections will be divided into even smaller entities in the analytical part, but these occasions will be separately indicated in the text.

Fortum, Metso, Neste Oil, FLSmidth and Eni were chosen because of: their success (*a*) in the 2010 IR websites competition by the Finnish Foundation for Share Promotion (Pörssisäätiö, 2011) or (*b*) in the 2010 KWD Webranking by the Swedish communications consultancy Hallvarsson & Halvarsson (KWD Webranking, 2011a), or (*c*) according to outcomes of the semi-structured interviews conducted for this study. These criteria are justifiable, as it is perceived useful to contrast own Internet-based IR communication practices to practices that have been successful in different competitions or rankings (Gaulke, 2007; Virtanen, 2010, p. 173). The following discussion presents the companies and describes the reasons for their selection.

Fortum (Finland), an energy company operating in the Nordic countries, Russia and the Baltic region (Fortum, 2011a), was chosen because of the company's success in the 2010 IR website competition by the Finnish Foundation for Share Promotion (Pörssisäätiö, 2011).

Metso (Finland), a globally operating supplier of technology and services for numerous industries (Metso, 2011a), on the other hand, was the winner in the 2009 IR website competition by the Finnish Foundation for Share Promotion (Virtanen, 2010, p. 173). In addition, Interviewees 3 and 6 argued that Metso's Internet-based IR communication practices are exemplary.

Neste Oil (Finland), an internationally operating producer of petroleum products (Neste Oil, 2011a), was chosen in accordance to outcomes of the semi-structured interviews, and more specifically according to Interviewee 4's recommendation.

FLSmidth (Denmark), the globally leading supplier of equipment and services to cement and mineral industries (FLSmidth, 2011a), was in turn chosen for the same

reason as Neste Oil: FLSmidth's Internet-based IR communication practices were recommended by Interviewee 4.

Eni (Italy), a producer of petroleum products, lubricants, basic chemicals, energy and similar products (Eni, 2011a) was chosen, as the company practices Internet-based business communication – including IR communication – that has been successful in KWD Webrankings organized by the Swedish consultancy Hallvarsson & Halvarsson during the past few years (KWD Webranking, 2011b).

In sum, the first two data sets formed an extensive array of Internet-based IR communication practices that covered different organizations operating in different businesses: the case company and five other companies. Both data sets were divided into smaller sections in order to enhance the logic of the study and to better link the data units to the analysis. The following section presents the third data set of this study.

3.2.3 Focus group and semi-structured interviews

The third data set of the present study consisted of a focus group with KONE's internal audiences and four semi-structured interviews with KONE's external audiences. The purpose of these interviews was to acquire information related to the research problems of this study from business professionals, who were familiar with KONE's Internet-based IR communication, IR communication in general, or the concept of corporate reputation. Section 3.3.2 provides an in-depth account on characteristics, benefits and weaknesses of focus groups and semi-structured interviews. In addition, section 3.3.2 describes the methods used in the analysis of the interviews. Tables 3 and 4 below summarize the focus group and semi-structured interviews.

interview symbol	date and time	interviewee(s) referred to as in the text	duration	interview discussion framework
-	16 June, 2011 09:00-10:00	Focus Group Interviewee 1 (FGI1) Focus Group Interviewee 2 (FGI2)	52 min	Appendix 1

Table 3. Summary of the focus group.

interview symbol	date and time	interviewee(s) referred to as in the text	duration	interview discussion framework
2	20 June, 2011 10:30-11:00	Interviewee 3 (I3)	28 min	Appendix 2
3	21 June, 2011 16:00-16:30	Interviewee 4 (I4)	24 min	Appendix 2
4	27 June, 2011 14:00-14:30	Interviewee 5 (I5)	19 min	Appendix 3
5	21 July, 2011 10:00-11:00	Interviewee 6 (I6)	49 min	Appendix 3

Table 4. Summary of the semi-structured interviews.

The left-hand columns of Tables 3 and 4 present the symbols of the interviews in accordance with the order the interviews were conducted. As only one focus group was conducted, the focus group is not differentiated with a particular symbol. The second columns in turn describe the dates and times the interviews took place. The pseudonyms, with which the interviewees are identified in the study, are then presented in the third columns. Pseudonyms are used in accordance with scientific conventions in the findings part, and more detailed information about the interviewees is presented in Appendix 4. Finally, the durations of the interviews can be found in the fourth columns, while the rightmost column refers to the discussion framework used in each interview.

As can be seen in Tables 3 and 4, all interviews were conducted between 16 June, 2011 and 21 July, 2011. The longest interview, the focus group, lasted 52 minutes and the shortest, Interview 4, 19 minutes: the average duration was approximately 34 minutes. Three different discussion frameworks were used in accordance to the interviewees' specialization fields. These frameworks, which are presented in Appendices 1, 2 and 3, however, were quite uniform with each other.

All interviewees were business professionals, and they had relevant educational and / or work experience in some of the following fields: IR communication, investment banking and / or market research, and communications consulting. Two interviewees were KONE's employees working in the company's IR function, and they are referred

to as internal audiences in this study. Other four interviewees are referred to as external audiences, respectively. Some external audiences had acquainted themselves with KONE's Internet-based IR communication practices in their work or otherwise. The variety of the audiences' backgrounds was reflected in the interview outcomes. Multiple perspectives were present, which positively contributed to perceived value of the findings. Tables 5 and 6 summarize the audiences.

interviewee	organization	field	position
Focus Group Interviewee 1 (FGI1)	KONE Corporation	investor relations	Director, Investor Relations
Focus Group Interviewee 2 (FGI2)	KONE Corporation	investor relations	Investor Relations Specialist

Table 5. Summary of the internal audiences.

interviewee	organization	field	position
Interviewee 3 (I3)	Company A	investment banking / market research	Equity Analyst
Interviewee 4 (I4)	Company B	investment banking	Head of Research
Interviewee 5 (I5)	Company C	communications consultancy	Director, Financial Communications and IR
Interviewee 6 (I6)	Company D	communications consultancy	Chairman of the Board, Co-founder

Table 6. Summary of the external audiences.

The left-hand columns of Tables 5 and 6 present the pseudonyms of the interviewees and thus link the information to Tables 3 and 4, the summaries of the interviews. The second columns present the pseudonyms of the organizations, and the third columns the business fields the interviewees represented. Finally, the rightmost columns describe each interviewee's position in the respective organization. As was discussed earlier, pseudonyms are used in the findings part, even though some interviewees allowed using their own names and the names of their organizations in this Master's Thesis. More

information about the interviewees, their organizations, and justifications for their selection can be found in Appendix 4.

To conclude both section 3.2.3 and subchapter 3.2, the third data set consisted of one focus group and four semi-structured interviews that provided both internal and external aspects to the study. Complemented by the first two sets – KONE's and selected companies' Internet-based IR communication practices – the resulting data were perceived as bringing multiple perspectives from different business areas to the analysis. These issues in turn positively contributed to the perceived value of the findings. The next subchapter moves the discussion from describing the data to presenting the data analysis methods.

3.3 Data analysis

This subchapter describes the methods used in data analysis. The first section presents qualitative content analysis, an approach that was used to examine and compare the first two data sets, KONE's and the selected companies' Internet-based IR communication practices. Then, the second section addresses the method used in the analysis of the focus group and semi-structured interview data.

3.3.1 Qualitative content analysis

Content analysis is an umbrella concept that contains multiple approaches to analyzing a variety of communication methods. Several researchers have provided definitions of content analysis, yet the whole concept remains somewhat disintegrated. (see e.g. Kassarjian, 1977; Kenney, 2009, pp. 223-246; Krippendorff, 1980; Neuendorf, 2002). The present study examined the case company KONE's and the selected companies' Internet based IR communication practices through a qualitative content analytical lens. However, it is necessary to first take a broader look at the principles of content analysis before concentrating on the context of this Master's Thesis.

Kenney (2009, pp. 223-246) discusses three types of content analysis, traditional, interpretive and reception-based, and uses a study of sexual content on TV as a case example. His views represent a quantitative approach to content analysis, as he among

other things emphasizes the importance of dividing source data into smaller, measurable units. Kassarjian (1977) also approaches content analysis from a quantitative point of view. Kassarjian (1977, p. 9) for instance argues that "quantification of judgments distinguishes content analysis from ordinary critical reading". This view, in other words, suggests that using quantitative methods is basically the only way to reach rigorous and credible findings.

Indeed, quantitative approaches have traditionally dominated the field of content analysis. The first studies that can be interpreted as content analyses revolved around calculating variables found in American newspapers or books. These variables embodied everything including the question of how "the United States described her wars in her history textbooks" (Walworth, 1938, as cited in Krippendorf, 1980, p. 15). Quantitative content analysis has also been an important part of communication scholars' research agendas later. For instance, Berelson (1952, as cited in Krippendorf, 1980, p. 21) states that content analysis is "a research technique for the objective, systematic and quantitative description of the manifest content of communication". However, purely quantitative approaches have become considered unsuitable or at least restrictive for studying certain areas. This claim is confirmed by Krippendorf (1980, pp. 21-22), according to whom qualitative approaches have proven successful in many fields.

The principles of the qualitative content analysis used in the present study were adapted from the discussion about content analytical relations by Krippendorf (1980, p. 111-112). According to him, representing relations between variables extracted from different data sets is a common approach to content analysis. More specifically, he argues there can primarily be two different kinds of relations: (*a*) "within the results of a content analysis", and (*b*) "between the results of a content analysis and data obtained independently". As will be discussed next, the latter formulation is deemed the most relevant in the context of this study.

In the content analysis conducted for this study, KONE's Internet-based IR communication practices were first analyzed in accordance with the discussion about the Internet as a communication context for IR purposes presented in section 2.2.4. The discussion in section 2.2.4 revolves around the question of how to design and

implement effective Internet-based IR communication activities, and it consists of the elements presented by Gaulke (2007), Mars, Virtanen and Virtanen (2000, p. 169), Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30) and Virtanen (2010, pp. 173-176). Following Krippendorf's (1980, p. 111-112) approach, the information acquired from the aforementioned part of the literature review was regarded as "data obtained independently" and, thus, the resulting relations as having foundations "between the results of a content analysis and data obtained independently". Even though Salminen (2008) approaches the research topic in a similar manner in her study, the present study is differentiated by the nature of the research questions and data.

Second, KONE's Internet-based IR communication practices were analyzed alongside with parts of the selected companies' Internet-based IR communication practices in order to identify elements that were deemed as useful for improving the case company's IR communication. Reflecting this approach to Krippendorf's (1980, p. 111-112) view, the resulting relations were also interpreted as being based "between the results of a content analysis and data obtained independently". This distinction was drawn despite the fact that the selected companies' Internet-based IR communication practices were analyzed with exactly the same framework as KONE's practices, i.e. in accordance with the discussion about Internet-based IR communication presented in section 2.2.4. This distinction is supported by the fact that the contexts of the analyses are clearly different, and they cannot hence be regarded as one larger content analysis.

To sum up, the field of content analysis is characterized by a high level of fragmentation. The qualitative content analysis used in this study was based on Krippendorf's (1980) method, more precisely on the approach with which relations "between the results of a content analysis and data obtained independently" can be identified (Krippendorf, 1980, pp. 111-112). Both the discussion presented in section 2.2.4 and results from content analyses of the selected companies' Internet-based IR communication practices were interpreted as independent data. The following section describes how the third data set, the focus group and semi-structured interviews, were analyzed.

3.3.2 Focus group and semi-structured interviews

This section first describes the key characteristics of focus group and semi-structured interviews. Then, the section discusses how the interview data collected for the present study were analyzed. A focus group and four semi-structured interviews were chosen as the third data set for this study, as, according to Hirsjärvi and Hurme (2008, pp. 34-35), interview is an effective data collection method that is often able to provide the researcher with extensive data sets. Participants are in a direct interaction with each other, which makes acquiring detailed information and adjusting the discussion possible.

According to Focus Groups (1997, as cited in Hirsjärvi & Hurme, 2008, p. 62), a focus group consist of a small number of people, typically from six to eight. These participants are often experts in the field under discussion and have been invited to the discussion. The discussion is led and adjusted by a moderator. The existence of a focus group is typically justified by certain goals, which can consist of everything from knowledge acquisition to synergetic creation of new concepts and product or service development (Clapper & Massey, 1996; Focus Groups, 1997, as cited in Hirsjärvi & Hurme, 2008, p. 62). Although the focus group conducted for the present study consisted of only three persons, the author being the third one, it is interpreted as a focus group, as it otherwise fulfills the aforementioned characteristics. The focus group which was conducted within KONE and which essentially aimed at providing information about improving KONE's Internet-based IR communication practices, was in that sense a typical representative of its genre.

The second interview type used in the present study, semi-structured interview, is also a flexible method that gives the interviewees possibilities to thoroughly express their opinions. In order to keep the discussion relevant, some interview topics and perspectives are predetermined (Eskola & Suoranta, 1998; Robson, 1995; both as cited in Hirsjärvi & Hurme, 2008, p. 47). The semi-structured interviews of this study were on the one hand somewhat similar to the focus group: the focus group had only one additional participant, and the interview frameworks were characterized by similar structures and topics. The focus group, on the other hand, was longer, more interactive and more diversified than the semi-structured interviews. In any case, the use of these

conceptualizations is rather disintegrated (Hirsjärvi & Hurme, 2008, p. 47), and, most importantly, all interviews aimed at corroborating the same topic, which positively contributed to trustworthiness of the study (see subchapter 3.4 for more details).

Both focus groups and semi-structured interviews have their problems. Hirsjärvi and Hurme (2008, p. 35) argue among other things that interviews are time-consuming, costly, often difficult to interpret, and liable to mistakes and bias. In addition, Clapper and Massey (1996, p. 44) state that a focus group's success depends on the openness of the prevailing interview atmosphere. To address the former issues, the data of the present study included only one focus group and four semi-structured interviews, and as modern recorders can record tens of hours, time or other resources were not considered constraints. The latter question can in turn be covered by stating that the focus group was characterized by relaxed atmosphere and trouble-free exchange of ideas.

Indeed, the most important challenges that emerged during the interviews were related to quality, relevance and objectivity of information. In particular, the questions of whether the interviews were truly related to the research topic and whether the data acquired from the focus group was unbiased were carefully evaluated. Even though all data were perceived as objective and relevant, the presence of multiple data sets, aspects and discussion frameworks was considered important for the value of the findings (see subchapter 3.4 for more details).

During the research process of the present study, all interviews were recorded and transcribed verbatim. All relevant excerpts were coded with different colors in accordance with the research questions to which they were related, organized together and translated from Finnish to English. All citations that were perceived as relevant for the outcomes of this study are presented in the findings. As all citations used in this study have been translated by the author, the possible translation errors or cases where the original meaning of the citation might have been altered are responsibility of the author and the author only.

In sum, one focus group and four semi-structured interviews were conducted for the present study. All interviews were recorded and transcribed, and all relevant results were translated from Finnish to English by the author. These results constituted the core

of the third data set used in this study. The most important challenges emerged from the interviews were related to relevance and objectivity of information. This, alongside with other issues related to trustworthiness, will be discussed in the following subchapter.

3.4 Trustworthiness of the study

This subchapter addresses key questions related to trustworthiness of the present study. The discussion first briefly introduces the topic and the underlying elements behind the concept of trustworthiness. Then, trustworthiness will be evaluated on four levels.

Broadly speaking, trustworthiness evaluates the perceived quality of research and whether research has been conducted in accordance with appropriate scientific conventions. The view on trustworthiness applied in the present study predominantly consists of elements presented by Bryman and Bell (2003, pp. 74-79, 286-289) and Gibbert, Ruigrok and Wicki (2008). As this Thesis is a qualitative study by nature, the traditional indicators of trustworthiness – different levels of reliability, validity and objectivity – are discussed alongside with dependability, transferability, credibility and confirmability (Bryman & Bell, 2003, pp. 288-289). Additionally, discussion about data triangulation and weaknesses of case studies (Eisenhardt, 1989; Gibbert, Ruigrok & Wicki, 2008; Yin, 2003, pp. 97-99) will be used to support the analysis.

<u>Dependability / reliability</u>

According to Bryman and Bell (2003, pp. 288-289), dependability parallels the concept of reliability, which in turn revolves around transparency and the extent to which other researchers can replicate the study and arrive at the same findings (Gibbert, Ruigrok & Wicki, 2008). According to Gibbert et al. (2008, p. 1468), transparency and, thus, reliability can be increased for instance by presenting comprehensive "documentation and clarification of the research procedures". Whereas the present study explicitly describes the key steps and methods of the research process, its dependability / reliability can be understood as being compromised by at least the following two issues.

First, the complete focus group and semi-structured interview transcripts are not provided with the study. However, all citations relevant for the outcomes of the study

are presented, which positively contributes to dependability / reliability. Second, the first and the second data set, KONE's and selected companies' Internet-based IR communication practices, are not explicitly presented in the study because of their scale and indefinite and interactive nature. The only rational and comprehensive means would have been to copy the prevailing practices and provide them in digital form as an attachment. This, on the other hand, might have resulted in fragmented data files, whose real usefulness might have remained vague. Moreover, the most relevant elements from both data sets are carefully described in the present study.

Transferability / external validity

Transferability is closely connected to the concept of external validity (Bryman & Bell, 2003, pp. 288-289) or, in accordance with the terminology used by Gibbert, Ruigrok and Wicki (2008, p. 1468), generalizability. As both terms suggest, transferability / external validity evaluates whether the findings of the study are applicable in contexts outside the study setting. This point is highly relevant for the present study, which essentially concentrates on KONE's IR communication activities and corporate reputation. Despite its single case study setting, the present study can be mostly characterized by high transferability / external validity for the following reasons.

First, as will be discussed in the findings part, IR communication is a regulated field, and its principles are quite similar around the world. Thus, most findings related to usability, clarity and relevance of KONE's Internet-based IR communication as well as to use of social media and new mobile technologies can be also applied in other context at least to some extent. Similarly, the discussion about the effects of Internet-based IR communication on KONE's corporate reputation presents aspects that are mostly relevant in contexts outside the case company. Second, the findings are based on multiple data sets and perspectives that extend beyond the case company context. This increases data triangulation and enhances perceived value and transferability of the findings (see e.g. Denzel & Lincoln, 1994, as cited in Gibbert, Ruigrok & Wicki, 2008, p. 1468; Eisenhardt, 1989; Yin, 2003, pp. 97-99). More specifically, these multiple perspectives are aimed at corroborating the same research problems, which ensures the potential of data triangulation is fully exploited (Yin, 2003, p. 99).

Credibility / internal validity

The third indicator of trustworthiness used in the present study is credibility, a concept parallel to internal validity (Bryman & Bell, 2003, pp. 288-289). Internal validity is also sometimes called logical validity, and in quantitative research the measure "refers to the causal relationships between variables and results" (Gibbert, Ruigrok & Wicki, 2008, p. 1466). In qualitative research internal validity and, respectively, credibility emphasize the connections between the observations and theories presented in the study. Moreover, in order to achieve high credibility, the qualitative researcher should follow good scientific conventions and validate the findings within the group of social actors involved in the study. (Bryman & Bell, 2003, pp. 288-289).

Credibility and internal validity of the present study are fundamentally defined by the following factors. First, the study explicitly describes all important research steps; this includes among others a detailed presentation of the research framework that presents the key concepts of the study and shows their interrelations. These steps are relevant for achieving the requirements of good scientific conventions. Second, the findings of the presents have been validated within one group of actors involved in the study, KONE's IR personnel interviewed in the focus group. Thus, all actors involved in the study have not confirmed the findings but, on the other hand, the author admits full responsibility for situations where the original meaning of interview findings might have been altered because of for example translation errors.

Confirmability / objectivity

Confirmability and objectivity are the last indicators to be presented here. Following Bryman and Bell's (2003, p. 289) discussion, confirmability and objectivity evaluate the extent to which the researcher has "acted in good faith". Whereas the qualitative researcher, who is a de facto actor in his / her research setting, cannot be entirely objective (Bryman & Bell, 2003, p. 289; Maykut & Morehouse, 1994, p. 20), a certain level of unbiased attitude towards the prevailing research setting is required. This is especially important in case study contexts, which are often characterized by questions related to subjectivity and bias (Gibbert, Ruigrok & Wicki, 2008; Yin, 2003). Simply put, the researcher should be as value-neutral and unbiased as possible in order to

achieve trustworthy and valuable findings. The nature of source data and the level of data triangulation (see e.g. Yin, 2003, pp. 97-99) are also relevant elements contributing to confirmability and objectivity of the study. All in all, the level of confirmability and objectivity of the present study are pre-eminently characterized by the following factors.

First, the author worked only as an external advisor for KONE during the research and second, the data sets consisted of selected companies' Internet-based IR communication practices and external audiences' viewpoints of the research questions. Both of these issues can be interpreted as positively contributing to the level of confirmability and objectivity. In particular, capitalizing on data obtained outside the case company context increased data triangulation and objectivity and trustworthiness of the findings (see e.g. Yin, 2003, pp. 97-99). It should be noted that even though the total number of the interviews conducted for the study, five, might sound modest, the in-depth nature of these interviews meant they provided a wide array of data. In addition, the number is in line with Perry's (1998, p. 791) suggestion, according to which "an Honour's Thesis requires at least four interviews". Third and finally, the focus group was conducted with KONE's personnel, which might have provided biased and subjective findings. However, all interview frameworks were designed to be as objective as possible. Thus, this discussion ultimately suggests that the level of confirmability and objectivity of the present study is highly appropriate.

To conclude this subchapter, trustworthiness of the present study was examined on the following four levels: dependability / reliability, transferability / external validity, credibility / internal validity and confirmability / objectivity. Even though the discussion identified several elements that had a somewhat adverse effect on trustworthiness, the conclusion is that the present study has been generally speaking conducted in accordance with good scientific conventions.

4 FINDINGS

This chapter presents the findings of the study, and it is divided into three subchapters according to the research questions. The research questions of the study, which were discussed in more detail in subchapter 1.1, are presented below.

> *RQ 1.1 How do KONE's Internet-based IR communication practices compare with industry conventions, other companies' corresponding practices and the perceptions of KONE's internal and external audiences?*
>
> *RQ 1.2 How could KONE capitalize on social media services and new mobile technologies in their IR communication?*
>
> *RQ 1.3 How do KONE's Internet-based IR communication practices affect its relations to the stakeholders and corporate reputation?*

The first subchapter provides answers for the question 1.1 by examining usability, clarity and relevance of KONE's Internet-based IR communication. The second subchapter primarily concentrates on the research question 1.2 by examining the role of social media services and new mobile technologies in KONE's IR communication. The second subchapter also discusses possible future trends of IR communication. The third subchapter investigates the relations between KONE's Internet-based IR communication and corporate reputation and, thus, revolves around the research question 1.3. All subchapters are divided into smaller, more specific sections in accordance with the actual topics under discussion.

4.1 KONE's IR communication, industry conventions and audiences' perceptions

This subchapter first investigates issues related to usability, structure and navigation of KONE's Internet-based IR communication. Second, search function and links to external sources will be examined. Third, interactivity and customizable features will be evaluated and, fourth, an account on overall website design coherence will be provided. The fifth section, section 4.1.5, then concentrates on the relevance and quantity of information communicated through KONE's Internet-based IR practices.

The discussion will be based on the qualitative content analysis of KONE's and selected companies' Internet-based IR communication practices as well as on the focus group and semi-structured interview results. As was presented in section 3.3.1, the content analysis was based on the framework by Krippendorf (1980, pp. 111-112), which was supported by the elements presented by Gaulke (2007), Mars, Virtanen and Virtanen (2000, p. 169), Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30) and Virtanen (2010, pp. 173-176). The terminology used in the discussion is aligned with the descriptions presented in sections 3.2.1, 3.2.2 and 3.2.3 in order to differentiate the data sets and KONE's internal representatives and external audiences.

4.1.1 Usability, structure and navigation

This section concentrates on findings related to usability, structure and navigation features of KONE's Internet-based IR communication. First, the findings of the qualitative content analysis revealed that KONE provided a direct link from the homepage to the IR websites. Six other sections linked to the homepage were the company overview section, solutions section, news and events section, "Corporate responsibility", "Careers" and the contact information section. One important feature of Internet-based IR communication is that the audiences can find the official IR websites, and providing a link from the homepage to the IR websites is an appropriate convention.

Second, the findings suggested that KONE's IR websites alone did not present all information that could be relevant from the target audiences' point of view. The company overview section, for example, included fundamental basic information about the company. However, from a structural point of view, the content analysis showed that all six other major sections of KONE's corporate websites, including the company overview section, were accessible from the IR websites also. This was due to the consistent and logical use of seven major sections. Thus, information outside the actual IR websites was well available.

Third, KONE's IR websites were divided into ten sections. These sections were "Business environment", "Financial information", "Share information", "Share tools", "Reports and presentations", "Corporate governance", "Capital and risk management",

"Capital Markets Day 2011", "Annual General Meetings" and "Investor service". Figure 10 below illustrates the upper part of the front page of KONE's IR websites and, thus, the links to all major sections and the basic structure of KONE's IR websites.
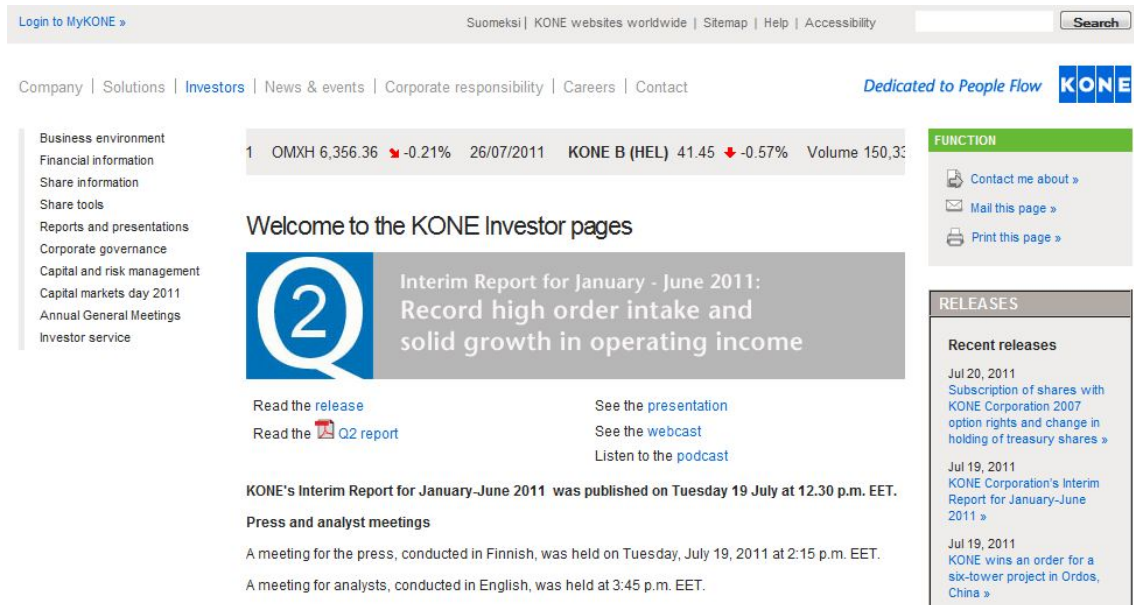
Figure 10. Front page of KONE's IR websites (KONE, 2011b).

As can be seen in Figure 10, the links to all seven major sections of KONE's corporate websites are listed under the uppermost navigation bar, i.e. the bar containing functions like "Login to MyKONE". In addition, the vertical list on the left-hand side of Figure 10 depicts the paths to the ten major sections of the IR websites. Finally, Figure 10 presents the link to the sitemap section and the search function in the uppermost navigation bar.

KONE's IR websites were divided into smaller entities with second or third level headings. The total number of headings used on the websites was over 100. KONE's IR websites were the most complex section on KONE's corporate websites also according to the content analysis of the sitemap section. More specifically, some smaller sections, for example "Financial information" and "Share tools", had numerous subheadings. This complexity was also reflected in two of the semi-structured interviews with external audiences. Interviewee 3 regarded some parts of KONE's IR websites as complicated, while Interviewee 4 did not. Interviewee 4, however, argued that logical

links and sections can enhance usability of the websites, especially if the visitor is not familiar with the company or the websites.

> *"I think it was 'Share tools'* [section] *that had so many subheadings…you get slightly confused. There are so many headings. Maybe some of those could be combined together…the clearer, the better."* (I3)[4]

> *"Of course, if a visitor is familiar* [with the websites]*…it always plays a part. However, it is easier if you have extremely clear websites with logical links."; "A person familiarizing him- or herself with KONE surely has different needs than a person frequently searching for information."* (I4)

Hence unnecessary complexity was regarded as something that should be avoided when designing IR websites or any other type of Internet-based communication. In particular, complicated websites were seen as problematic for visitors, who are not familiar with the organization. The importance of clarity was also emphasized by Interviewee 5.

> *"I think the most important* [characteristic of effective websites] *is clarity" "Information shouldn't be hidden behind strange paths or multiple clicks."* (I5)

Fourth, the findings indicated that some sections under these subheadings either presented information that was already available elsewhere or they were short. The "Shares and shareholders" section under "Investor service", for example, was partly repetitive, as the same information was basically presented in the "Share information" sections. The "Shares and shareholders" section was also quite comprehensive, which negatively affected its usability as a compact information sheet. In addition, some sections, the "Business reviews" section under "Business environment", for example, had lots of text. Hence they were not very focused, which compromised their communicative value.

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[4] As was discussed in section 3.3.2, all direct citations used in this study have been translated from Finnish to English by the author. Thus, all possible translation errors or cases where the original meaning of the citation might have been altered are responsibility of the author and the author only.

The qualitative content analysis of the selected companies' Internet-based IR communication practices revealed that Metso and FLSmidth clarified and increased the impact of their messages by using either simple graphic elements or short introductory paragraphs and high-impact headings on the IR websites. Figure 11 below illustrates Metso's approach to illustrating complex issues presented on their IR websites. More specifically, Figure 11 depicts a part of the regulatory framework from the "Corporate governance" section and a diagram illustrating the size of Metso's 2010 target markets. Figure 12, on the other hand, shows how FLSmidth compresses and communicates the key messages of the text already in the introductory elements before the actual text.
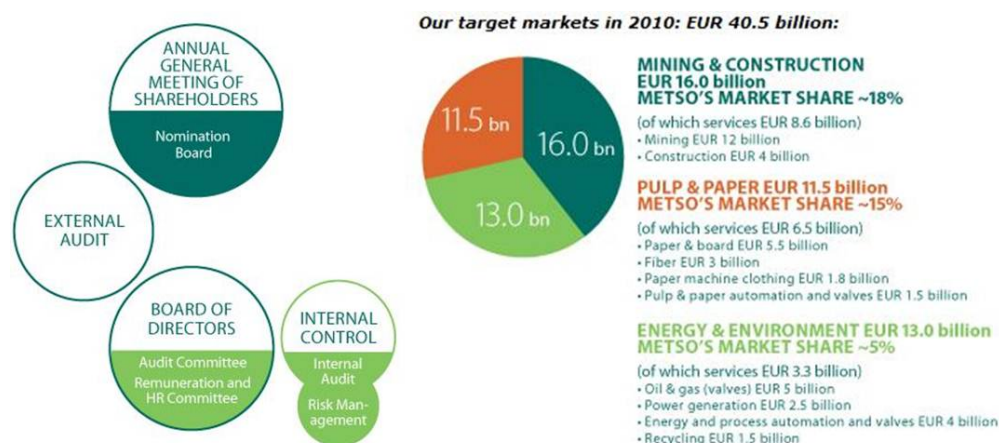
Figure 11. Graphic elements on Metso's IR websites (Metso, 2011b).

Figure 12. Introductory elements on FLSmidth's IR websites (FLSmidth, 2011b).

Similarly, Eni's approach to clarifying and compressing information emerged in the findings. Figure 13 depicts how Eni uses interactive subheadings and bullet points embedded in texts of their IR websites to extract the key messages: the reader can

access more detailed information about specific business areas by clicking the equivalent subheadings. The approach reduces the amount of text on one page.

Figure 13. Interactive subheadings and bullet points on Eni's IR websites (Eni, 2011b).

Several detailed technical issues related to usability, structure and navigation emerged in the findings. First, the table in the "Financial information" section on KONE's IR websites had a separate scroll bar, which forced the visitor to use two scroll bars in order to read all information. Second, some features in the "Key figures" section did not work, but an error report was returned instead. Third, the "Investor calendar" section listed all events in a logical manner, but the monthly distribution of the events remained unclear: the calendar view itself was small and contained the dates only, but no textual information. Additionally, changing the month in the calendar view made the website scroll itself down with no logical reason. Fourth, KONE's sitemap section only showed second level headings. Finally, even though the links on the IR websites changed color when clicked, KONE's IR websites did not explicitly list the path the visitor had taken.

The findings of the qualitative content analysis suggested that Metso's IR websites contained a financial calendar that presented the monthly distribution of the events in a more illustrative way than the calendar available on KONE's IR websites. Figure 14 below depicts a part of Metso's financial calendar. As can be seen in Figure 14, the company presents textual information in the actual calendar view. This helps the visitor to get a quick, yet a detailed understanding on the distribution and the nature of the events without searching for information in a separate list.

Figure 14. Part of Metso's financial calendar (Metso, 2011b).

The findings indicated that Neste Oil, on the other hand, used a different navigation structure on their IR websites than KONE. Figure 15 illustrates the basic navigation structure of Neste Oil's IR websites.
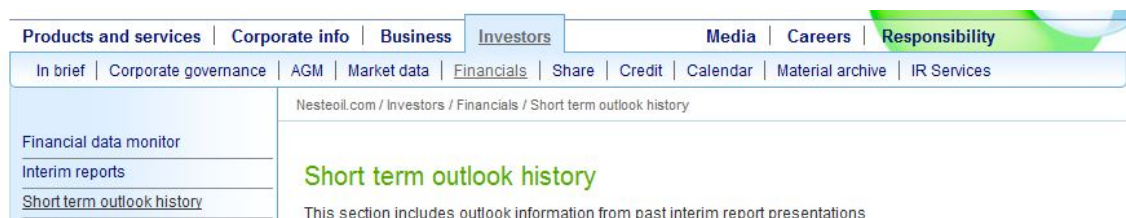
Figure 15. Navigation structure of Neste Oil's IR websites (Neste Oil, 2011b).

As is depicted in Figure 15, the navigation of Neste Oil's IR websites is organized differently than the navigation of KONE's IR websites. Links to all major sections are presented in a horizontal link bar that opens under the "Investors" heading rather than in a vertical list. All second and third level headings are then opened in a vertically organized list on the left-hand side of the screen. This reduces the amount of links on the left-hand side of the IR websites. In addition, Neste Oil's IR websites show the complete path of links the visitor has taken. As was pointed out previously, this feature was missing on KONE's IR websites.

4.1.2 Search function and links to external sources

This section concentrates on the search function and links to external sources presented on KONE's IR websites. The findings suggested that KONE provided an average search function and a scattered collection of links to external sources on the IR websites. The search function was fast and often provided lots of results: the search word 'share', for

example, returned around 256 hits. However, the function had several drawbacks, which negatively affected its usability. First, all search results were automatically sorted by relevance, and this feature could not have been changed to date-based filtering, for example. Second, there was no IR-specific function or filtering, which often resulted in too many results. Third, the search function failed to find some information: for instance, the word 'Varma' provided no results at all, even though Varma Mutual Pension Insurance Company was mentioned on the list of KONE's largest shareholders. The findings of the content analysis of other companies' Internet-based IR communication practices suggested that the search function on Neste Oil's IR websites had three different filters for organizing the results by relevance, alphabetical order or version date. In addition, Neste Oil's search function did not fail to find information in a similar vein as KONE's search function did.

The links to external sources were found to be scattered around KONE's IR websites. Even though links to relevant sources were available, KONE's IR websites did not provide a collection of links in one location. In addition, some links led to sources that were not related to KONE itself: for example, the link to Euroland's websites under the "Business environment" section led to Euroland's homepage (Euroland, 2011a) instead of the websites that included information about KONE (Euroland, 2011b). According to the findings, Fortum's IR websites provided a more diverse collection of external links than KONE. One of the major sections of Fortum's IR websites was "Links", while KONE's IR websites lacked this kind of a comprehensive link collection.

4.1.3 Interactivity and customizable features

Next, the interactivity and customizable features of KONE's IR websites will be discussed. Indeed, the findings suggested that KONE supported the interactive and customizable nature of their Internet-based IR communication practices through various means. First, the findings pinpointed that KONE provided a "Contact me about" function throughout their IR websites. This function enabled the visitor to submit questions related to specific areas of KONE's IR websites and corporate websites in general. Second, there was a direct link to the contact information section on the front page of the IR websites. The contact information section consisted of the IR personnel's

e-mail addresses and phone numbers, which meant that contacting the IR department was uncomplicated. In addition, Interviewee 3 mentioned that KONE's IR professionals were helpful, which increased dialogue and interaction between the audiences and the company.

> *"Co-operation with KONE is very effective, especially with KONE's IR department. It is very easy to discuss with them and get answers. We send lots of questions directly by email, or we call them."* (I3)

Even though this study focuses on Internet-based IR communication, it can be noted that telephone and e-mail were also perceived as important IR communication, especially when the topic was complex and when quick dialogue was needed. None of the interviewees thought that KONE's IR communication practices would benefit from a feedback function that would be embedded on the IR websites: feedback processes of IR communication were considered fundamentally different as for example the processes in communication with customers. Focus Group Interviewee 1 confirmed this.

> *"It's slightly different with investors and analysts. We don't have any specific box where you could write your feedback, because, firstly, our contact information is there." "I would say that most feedback related to IR comes from discussions* [with investors and analysts]. *Then, of course, we have capital markets day. There we ask* [investors and analysts] *to fill a feedback form, anonymously, if they want."* (FGI1)

Third, the findings indicated that KONE provided a reminder service in the "Investor calendar" section on the IR websites. The principal idea of the service was to submit information about upcoming events and updates directly to the receivers by e-mail. In addition, all upcoming events and updates listed in the calendar could have been directly synchronized with Microsoft Outlook Calendar. KONE's reminder service had also features like event filters, which could have been used to receive information about certain events only.

Finally, findings of the qualitative content analysis revealed that some companies, for example Metso and Neste Oil, provided frequently asked questions (FAQ) sections on

their IR websites. An FAQ section that provides a collection of topical questions and discussion themes is one way to increase the level of dialogue in IR communication. However, if the company's IR websites do not have such a section, as was the case with KONE, all relevant basic information about the company, its operations, financials and competitive landscape should be comprehensively communicated somewhere else. Section 4.1.5 discusses the relevance and quantity of information KONE communicates through its Internet-based IR communication in more detail.

4.1.4 Website design coherence

This section briefly discusses the overall design of KONE's IR websites. Elaborating on the findings, the design of KONE's IR websites was aligned with the overall corporate look. Key corporate colors, blue, green and white, photos and typography were well unified with the other sections of the corporate websites. Many parts of KONE's Internet-based communication practices capitalized on illustrative visual elements that condensed complex topics into highly understandable entities. As will be discussed in section 4.2.4, the importance of visual elements and the ability to compress information in Internet-based business communication seems to be growing because of the constantly increasing amount of data. KONE's positive attitude towards visual communication was confirmed by Interviewee 6, who was delighted especially with the figure that combined the key elements of KONE's vision, strategy and values.

> *"But KONE is an exceptional example: they have been able to condense their strategy* [into digestible form]. *The latest example is the picture, in which they visualize their whole world."* (I6)

Figure 16 below presents the aforementioned graphic from the "Vision and strategy" section under KONE's company overview section.
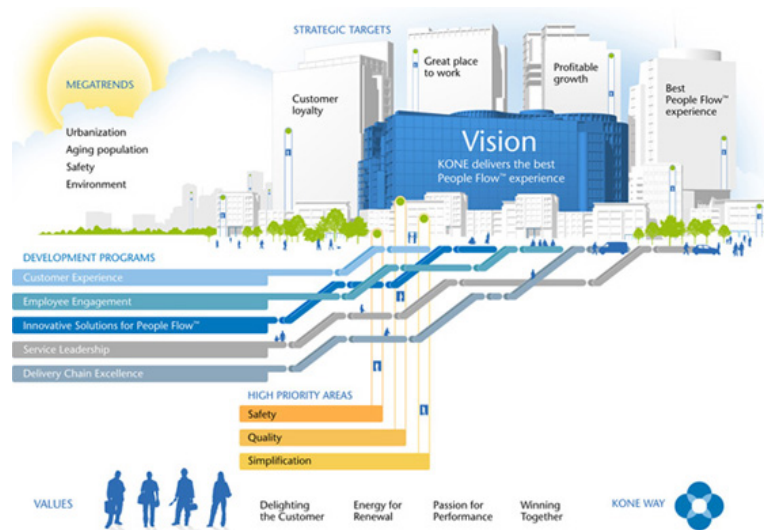
Figure 16. Visualization of KONE's vision, strategy and values (KONE, 2011a).

As can be seen in Figure 16, the graphic not only combines the key elements of the company's vision, strategy and values, but also communicates the company's image and identity by using the colors, shapes and figures that can be found throughout KONE's corporate websites. Thus, it appropriately supports the company's Internet-based business communication activities, including IR communication, by transmitting the 'company story' and ideals.

4.1.5 Relevance and quantity of information

This section moves the discussion from the usability, structure, navigation, technical features and interactivity of KONE's Internet-based IR communication practices to analyzing the relevance and quantity of information communicated through these practices. The section is divided into the following six entities according to the specific topic: corporate governance, business environment and competitive landscape, financial and share information, reports, releases, management letters and media coverage, financial webcasts and presentations, and IR service and financial calendar. However, some general issues that emerged in the findings will be presented first.

Properly implemented IR websites were seen as important supplementary information sources that present fundamental information about the company as well as relevant publications. Websites were also considered important in providing the first impressions of the company. Focus Group Interviewee 1 and Interviewee 4 stated the following.

> *"I think the Internet is an alternative…or maybe we should say a supplementary channel for information." "Websites have, in a sense, made communication more effective. Everything can be found in the same place, and there is much more information than in official reports."* (FGI1)

> *"In addition, websites give the visitor the first impressions of the company, of how they outline and divide information there…and, in a sense, of their professionalism".* (I4)

Focus Group Interviewee 2 and Interviewee 3 emphasized that different audiences are looking for different information on the IR websites, and that audiences' attitudes towards the IR websites probably change with the level of their knowledge.

> *"I think IR websites are most useful when an analyst or an investor is interested in the company and is planning to start following it."* (FGI2)

> *"If the visitor isn't familiar with the company, he or she is probably interested in basic information about the company and its operations etc. Surely, if he or she has followed the company for long, such basic information isn't as relevant."* (I3)

The findings indicated that KONE's IR websites per se did not present much basic information about the company and its operations. Instead, the link box on the right hand side of the front page of KONE's IR websites provided a direct access to the company overview section. The company overview section, in turn, presented KONE's business profile, vision, strategy, values, organizational structure and history, topics that shed light on the key characteristics of KONE's business. In addition, KONE's solutions section presented the company's products and services and thus expanded the

amount of data relevant for KONE's IR communication purposes. The solutions section, however, was not connected to the link box in the same way as the company overview section was.

Corporate governance

According to the findings, KONE's IR websites communicated all relevant corporate governance issues in the "Corporate governance" section. While the amount of information was interpreted as being in align with the industry conventions, the content analysis suggested that the number of subheadings in the "Corporate governance" section was unnecessarily large. Section 4.1.1 presented the structural questions related to KONE's Internet-based IR communication practices in more detail.

Business environment and competitive landscape

KONE's way of presenting detailed business reviews in the "Business environment" section on the IR websites emerged in the findings. The reviews were well written and structured in a reader-friendly way. More specifically, most reviews were divided into smaller sections according to KONE's market areas and / or business areas like elevators, escalators, new equipment business, service and modernization. Despite the detailed nature of the reviews, the findings indicated that most reviews did not include much quantitative data; the "Business review 2008" was interpreted as a slight exception. In addition, the communicative impact of some reviews was found to be somewhat compromised because of the extensive use of unbroken text. As section 4.1.1 suggested, some companies used bullet points, interactive subheadings, visualizations and equivalent methods to compress information.

The findings indicated that KONE's IR websites presented only an average amount of analytical information about the company's competitive landscape. In particular, detailed company-specific competitor descriptions or analyses were basically lacking. Interviewee 3 emphasized the importance of such information. Interviewee 3's view is partly connected to KONE's approach to communicating financial and share information, a topic that will be discussed later.

"Competitor analyses are always useful. One alternative would be to write something in their [KONE's] annual reports. We, of course, analyze KONE's competition, but it would be nice to be familiar with KONE's viewpoint also." (I3)

The findings of the content analysis suggested that Metso described their competitive landscape, position in the market and the company's strengths and own views on market development in more detail than KONE. In addition, Metso explicitly listed some of their key competitors. Metso's analysis was presented in the "Competitive situation" section under "Operating environment" on their IR websites. FLSmidth's IR communication practices also emerged in the findings: the "Our business in operation" section under the company overview section described lifespans of different projects, beginning with enquiries and negotiations, and ending with handing over the final product. Interviewee 4 pointed out that such information might be particularly interesting for people who are not familiar with the company.

"If we look at FLSmidth's websites where they describe those processes, what's the competition like, how does the company win new orders, what's the value chain like, where does this happen…I believe this kind of information is interesting. KONE could also describe these issues." (I4)

Broadly speaking, the most relevant findings presented here are connected to the fact that KONE could more explicitly describe the company's business logic. In addition, KONE's own views on market situation and development could emerge more prominently the company's IR communication activities.

<u>Financial and share information</u>

According to the findings, relevant financial and share information was well available on KONE's IR websites. The "Financial information" section presented key financial figures on both yearly and quarterly basis, financial targets and future outlook. Additionally, the section provided information about the company's financing facilities and credit rankings, even though KONE did not have a credit ranking at that time. The section also described KONE's accounting principles.

The "Share information" section, in turn, presented general information about KONE's share and shareholders, including share capital, major shareholders and management's shareholding. Flagging notifications, dividend policy, options and share-based incentive plans were also described, for example. The "Share tools" section provided interactive tools that could have been used to analyze share characteristics and performance. These tools included for example a real-time share monitor, share price lookup, latest share trades, an investment calculator and analyst consensus estimates. Additionally, the "Fact sheet" under the "Financial information" section presented selected financial and share information, for example sales figures and latest share prices, on a single page. Finally, the "Capital and risk management" section described issues related to financial risks and risk management.

These topics aroused discussion in the interviews conducted for this study. In particular, the two financial analysts were interested in these issues. First, Interviewee 3 pointed out the importance of publishing detailed numerical data and was especially interested in profitability and order intake figures per divisions, businesses and geographic areas. However, Interviewee 3 admitted that communicating such information would probably exceed the company's reporting conventions and hence be impossible.

> *"It would be useful if there were more numbers…all kinds of numbers, or even completely new data." "I know that it probably isn't possible, as KONE's competitors don't publish them…but profitability figures per divisions, businesses or geographic areas." "For KONE, that would mean figures per new equipment, modernization and maintenance, or new equipment and service, for example." "It would be nice to know order intake figures on a geographic basis."* (I3)

Second, Interviewee 4 stressed that many companies fail to connect their growth assumptions and increases in efficiency to the actual drivers behind these phenomena. Such companies, according to Interviewee 4, are unable to describe the ways in which they are going to capitalize on market development and trends.

"There are some companies that link their long-run targets extremely well to market data." "They [growth assumptions] *are explicitly tagged to broader assumptions about market development." "Companies are typically quite vague in describing increases in efficiency. Are the increases related to use of capital or HR? Have net sales per employee increased?"* (I4)

The findings indicated that Neste Oil communicated a more extensive array of industry-specific data on their IR websites than KONE. Neste Oil's "Market data" section, for example, provided real-time information and graphs about crude oil prices and tanker freight indices. Even though that particular information is not relevant for KONE, the company should nevertheless reflect this and think about new possibilities of communicating additional quantitative information on the IR websites. In addition, the findings revealed that Eni presented some of their growth drivers or assumptions on their IR websites. More specifically, these drivers, which were described in the "Growth Drivers" section under the "Strategy" section, connected the company's owns views to overall market data and trends. The drivers were also presented in a compact form in order to enhance their communicative value. As was discussed earlier, it is important for companies to be able to express their own assumptions of the market development.

According to the findings, Fortum's practice of presenting the company's major investments and divestments was somewhat more illustrative than KONE's approach. Fortum presented this information in the "Major investments and divestments" section under "Share information" section on their IR websites. KONE had a similar section: KONE's major investments and divestments were presented in the "History" section under the company overview section. Fortum's section was easier to find, as it was directly linked to the company's IR websites. Additionally, Fortum presented these transactions as a timeline, which better visualized their chronological distribution.

Next, the role of KONE's interactive financial tools will be addressed. Even though KONE provided such tools on the IR websites, their importance and usefulness from analysts' and professional investors' point of view has basically remained unanswered. Focus Group Interviewee 1 stated the following.

"There are quite a lot of different tools on our [KONE's] *websites. I think these tools mainly help smaller individual investors." "We assume analysts don't use our tools very much, as they have their own models."* (FGI1)

Providing evidence for the aforementioned comment, Interviewee 3 suggested that financial tools available on IR websites usually are not very relevant for analysts, institutional investors and other highly influential members of the financial community.

"There are other databases, from which we usually search data. It's the same story with institutional investors." "I would say that those [financial] *tools* [provided on IR websites] *are relevant for individual investors who don't have access to Reuters or similar sources."* (I3)

Interviewee 4, on the other hand, thought that the tools can *"broadly speaking be helpful for both analysts and individual investors."* (I4). Interviewee 4 was not completely familiar with all financial tools available on KONE's IR websites, which should be taken into account when interpreting the citation. In any case, this discussion reflects that the financial tools available on KONE's IR websites were perceived as appropriately representing industry conventions. In addition, even though some interviewees regarded the tools as somewhat unimportant for analysts and institutional investors, they might be useful for many individual investors.

As was the case with the financial tools, the role consensus estimates play in analysts' and professional investors' work has remained somewhat unclear. In particular, the question of whether KONE should introduce dynamic consensus estimates, i.e. estimates that would be updated more frequently in comparison with the prevailing practice, emerged in the focus group. Interviewee 3 stated that he / she does not use KONE's estimates, as he / she directly gets estimates from other sources. Interviewee 3, however, reckoned that dynamic consensus estimates might be useful for some people.

"I personally never visit KONE's consensus estimates section: I get consensus estimates to my e-mail." "Of course, institutional investors, for example, may use these, but they, in a sense, get the information from us" "Naturally…the more often, the better." (I3)

Interviewee 4 also suggested that consensus estimates are not very relevant from an analyst's point of view, because fundamental analyses should be conducted independently and by ignoring the market sentiments hidden in estimates. Interviewee 4 also stated that most professional investors get information and consensus estimates from other sources, and that most individual investors probably do not benefit from consensus estimates.

> *"If we talk about purely fundamental analysis, the sentiments hidden in consensus estimates shouldn't* [influence the analysis]*" "There are services like Bloomberg that provide most professional investors with relevant information." "And for individual investors…I'm not sure if it's sensible to make investment decisions based on these estimates, especially if the estimates are very variable."* (I4)

Thus, introducing dynamic consensus estimates was interpreted as a step that would not bring any unambiguous benefits at least for analysts and institutional investors. However, dynamic estimates would nevertheless enhance the overall level of KONE's Internet-based IR communication, but their advantages should be carefully evaluated.

Debt structure, impairment testing, financial risks and sensitivity analyses are the last issues to be discussed here. The findings indicated that KONE's IR websites had a dedicated "Financing facilities" section under the "Financial information" section. The depth of the information presented in the section was perceived as quite modest. Even though KONE did not have many credit facilities at the time of the study, maturities, interest premiums and other details of these facilities could have been better described in the "Financing facilities" section. Some of this information was available in the "Capital and risk management" section.

Impairment testing principles were comprehensively described in the "Accounting principles" section of KONE's IR websites. Different financial risks were also appropriately described in the "Capital and risk management" section of the websites. However, KONE's approach to presenting sensitivity analyses indirectly emerged in interview 3, as Interviewee 4 discussed other companies' equivalent practices.

"Good examples of sensitivity analyses can be found on Neste Oil's and Alma Media's websites…they present the sensitivities related to their businesses." (I4)

The findings revealed that KONE presented some sensitivity analyses on their IR websites. These analyses were rather narrow as they only concentrated on changes originating from foreign exchange rates and interest rates, though. The findings of the content analysis also suggested that Neste Oil's sensitivity analyses were more detailed than those of KONE. Neste Oil communicated sensitivities originating from five different factors: exchange rates, refining margins, crude oil prices, palm oil prices and renewable fuels refining margins. In addition, Neste Oil presented sensitivities in a simple tabular form, which increased their communicative value in accordance with the discussion about compressing information in section 4.1.1. Again, Neste Oil operates in a different industry than KONE, which means that certain sensitivities presented by Neste Oil are irrelevant for KONE. Neste Oil's multifaceted approach to sensitivity analyses was nevertheless interpreted as relevant for the purposes of this study.

<u>Reports, releases, management letters and media coverage</u>

KONE's way of presenting financial and sustainability reports was interpreted as comprehensive in the findings. The "Reports and presentations" section of KONE's IR websites functioned as an information bank, in which the company's annual reports since 1995 and interim reports since 2001 were published for reading and downloading. The section also provided KONE's sustainability reports. The company has published its annual reports in two pieces, financial statements and Corporate Responsibility Reports, since 2008. These reports were available in either a web-report or PDF format.

The findings did not provide unambiguous answers to the question of whether the company should prefer one format to another in the future, though it should be noted that the PDF reports were available for downloading also. In addition to the good availability of the reports, the "Reports and presentations" section was uncomplicated to find and browse: the findings suggested that the section was logically structured and explicitly linked to the IR websites.

Even though KONE's IR websites per se did not include a dedicated sustainability section, one of the seven major sections of the company's corporate websites was the "Corporate responsibility" section. The section was directly linked to the IR websites in a similar vein as the solutions section, for example. Thus, an extensive amount of information about KONE's sustainability issues was available, and the results of the qualitative content analysis ultimately indicated that KONE's approach to this topic was well in line with industry conventions and other companies' corresponding practices. Next, KONE's approach to publishing and presenting press releases will be discussed.

The findings revealed that KONE provided direct links to the company's press releases on the front page of the IR websites. This practice was interpreted as positively contributing to the accessibility of the releases. All releases were available for browsing and reading in the news and events section of KONE's corporate websites. The releases could also have been categorized in the section. Even though analyzing the contents of KONE's press releases is beyond the scope of this study, Interviewee 3 stated that companies could generally speaking publish more information about smaller orders, as they are interesting from an analyst's point of view.

> *"I'm not quite sure what KONE's policy on publishing orders is…but we*
> *are interested in smaller orders also. Such information is useful."* (I3)

According to the findings provided by the content analysis, Metso summarized the company's major orders on an annual basis in the "Major orders" section under the "Operating environment" section on their IR websites. Such an approach was perceived as supporting the discussion about the company's position in the markets; thus, it is closely linked to the earlier discussion about the amount and depth of quantitative information communicated through Internet-based IR communication practices. The following discussion concentrates on KONE's management letters and media coverage.

As the findings suggested, KONE's IR websites per se did not present for example any management letters like CEO reviews. Even though the relevance of publishing such letters on the official IR websites is emphasized by Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30), this is interpreted as a minor issue: the topic did not emerge at all in the interviews conducted for the present study. However, KONE presented

management letters, more specifically CEO reviews and letters from the Chairman of the Board of Directors, in the company's annual and, more recently, Corporate Responsibility Reports in the "Reports and presentations" section. Finally, the findings indicated that KONE provided M-Brain's media coverage service in the news and events section on their IR websites. The service was aimed at collecting news and other articles related to KONE, and linked them to the company's corporate websites.

Financial webcasts and presentations

The findings indicated that financial webcasts and podcasts were considered important tools in modern IR communication. For example, Interviewee 3 suggested that webcasts and presentations reduce information asymmetry between the stakeholders who are and who are not able to attend different events.

> *"If there are, for example, many companies presenting their results on the same day, these webcasts are very useful. Additionally, foreign analysts and investors get the opportunity" "And webcasts from Capital Markets Days: I think they are very useful…they help investors or analysts who are not able to attend those events".* (I3)

In accordance with the findings from the content analysis, KONE's financial webcasts, podcasts and other financial presentations were published in the "Reports and presentation" section of the IR websites in an similar vein as the company's financial and sustainability reports. In addition, all webcasts and presentations from the Capital Markets Day events were stored in the separate "Capital Markets Day" section. All in all, the analysis suggested that KONE's approach to this topic was comprehensive and well in line with industry conventions.

IR service and financial calendar

KONE's IR websites, according to the findings, had a dedicated "Investor service" section, which communicated information about KONE's IR policy principles, IR contacts and analysts following KONE, for example. The contents of the "Investor service" section were regarded as comprehensive and relevant, but the discussion about the structure of KONE's IR websites could be recalled here. In accordance with section

4.1.1, KONE's "Investor service" section had some unnecessary subheadings. The information of the "IR policy" section, for example, was already directly presented in the upper level "Investor service" section.

The structure and usability of the "Financial calendar" section, which was one part of the "Investor service" section of KONE's IR websites, was already discussed in section 4.1.1. The findings identified several issues that had an adverse effect on the calendar's usability. However, taking the relevance and quantity of information presented in the "Financial calendar" section into the center of the analysis indicated that KONE's calendar communicated all fundamental information about the upcoming and past events as well as silent periods.

4.1.6 Summary

Subchapter 4.1 suggested that KONE's Internet-based IR communication practices provided the target audiences with a wide array of information that was well accessible. KONE's IR communication was also perceived as being based on true interaction between the company and its target audiences: this topic emerged for example in the interview findings, according to which KONE's IR representatives were really helpful and easy to contact. The findings, however, indicated that there were various issues related to the usability and clarity of KONE's IR websites as well as to the relevance and quantity of information that had an adverse effect on the communicative value of KONE's Internet-based IR communication.

Some sections of KONE's IR websites had complicated navigation structures. In addition, some sections consisted of either extensive amounts of unbroken, uncompressed text or somewhat repetitive information. Some sections were also perceived as unnecessarily short. Nevertheless, KONE's IR website design was interpreted as being well aligned with the overall corporate look. Several more detailed technical issues to the usability, navigation, use of external links and search function were also identified.

Relevance and quantity of information was generally well in line with industry conventions. However, KONE's approach to presenting the company's own views on

market development was considered somewhat broad. More specifically, an interest in more detailed quantitative information, including growth drivers, business-specific profitability figures, order intake volumes and sensitivity analyses, emerged in the analysis. The prevailing situation with elements like financial tools, consensus estimates, reports, management letters and webcasts and podcasts, on the other hand, was regarded as appropriate. Naturally, all possible increases in the company's overall IR service level were seen as positive.

4.2 KONE's IR communication, social media services and mobile technologies

This subchapter sheds light on research question 1.2 by examining the potential of social media and new mobile technologies in KONE's IR communication. In addition, this subchapter presents some possible trends and focal areas of future IR communication; it should be noted that that particular discussion takes place outside the actual research questions. The discussion first presents some key prerequisites for the company's participation in social media and mobile technology-based IR communication. Second, the discussion reflects the topic in KONE's context. Third, the relation between new mobile technologies and corporate image will be investigated and, fourth, possible future trends and focal areas of IR communication will be explored. The discussion will be based on the focus group and semi-structured interview results. Even though the findings represent multiple perspectives, KONE should carefully evaluate their value and, eventually, the applicability of the recommendations.

4.2.1 Additional value and audiences' needs

As the discussion of this section suggests, the following two questions related to the rationale of the use of social media and new mobile technologies emerged in findings: do they really provide additional value for the organization and its target audiences, and can the organization really commit itself to these practices. The following quotations from Focus Group Interviewee 1 and Interviewee 6 suggest that these issues should be interpreted as the starting points when planning and implementing new IR communication practices.

"I think that if the company participates [in social media]*, it should generate additional value." "I think it is useless to introduce new communication practices if nobody develops and maintains them."* (FGI1)

"You should always ask the receiver whether they [communication practices] *are useful." "Of course, when you ask whether it would be nice if we had this* [communication practice]*, everybody says 'Yes, if would be fun'. But is it really such a thing that would help him / her in the daily work?"* (I6)

These findings indicate that new communication practices should be useful from the audiences' point of view and generate additional value for both the organization and its audiences. In the IR communication context, the information itself should be of high quality and easily available. As Interviewees 3 and 4 stated, the communication channels are secondary issues.

"Our work, for example, is quite hectic. We don't necessarily have time to check updates from different sites…I think it would be better if there was one place where you could read the latest news." (I3)

"I think the actual content is the most important thing." (I4)

As section 4.2.3 discusses, communication activities based on social media and / or new mobile technologies can for example give positive signals about the company's attitude towards modern communication technologies and, thus, enhance the corporate image. However, the findings indicated that organizations need to carefully evaluate whether new communication practices provide any extra benefits in comparison with existing practices. Additionally, as Focus Group Interviewee 1 reminded, KONE operates in a business-to-business rather than business-to-consumer environment, which might dilute the benefits of some communication practices.

"We are not in B-2-C environment, this is B-2-B, and I honestly can't see the point…if KONE's IR function created a profile in Facebook, who would be our friends? Somebody would, but they would probably be the same people who contact us directly." (FGI1)

Interviewee 6, on the other hand, suggested that business-to-business companies can also benefit from new communication practices like social media.

> *"Many companies say that because we are in B-2-B environment, the things from consumer world aren't relevant. But, after all, everybody has similar consumer brains. The question is how to harness those great tools, thoughts and things for different situations."* (I6)

Initiating social media and mobile technology-based IR communication should thus be critically reflected upon the question of whether new communication practices would bring additional value and benefits to the organization and its target audiences. However, such a critical analysis should be conducted without prejudices in order to be able to identify effective and innovative ways to harness new communication practices.

4.2.2 Social media and mobile technologies

This examines reflects the potential of social media and new mobile technologies to KONE's IR communication context. According to the findings, social media was not perceived as relevant for KONE's prevailing Internet-based IR communication practices, while the importance of new mobile technologies was interpreted as increasing. As Interviewees 3 and 4 suggested, analysts and other members of the financial community already have multiple information sources, for example companies' existing IR communication practices and services like Reuters and Bloomberg. Adding another layer to KONE's prevailing Internet-based IR communication practices was thus regarded as a complicating step that probably would not bring clear benefits.

> *"I think they* [social media services] *probably aren't necessary. There are those IR websites…there could be too many channels."* (I3)

> *"I personally think these social media services don't have any effect on* [this] *business yet."* (I4)

The focus group and semi-structured interviews provided clearer support for a KONE-specific IR application that would run on tablet computers and / or smartphones.

The relevance of this topic was emphasized by Focus Group Interviewee 1, whose view suggested that especially American audiences would be interested in such an application.

> *"Our company has numerous American owners and investors…they seem to travel with their iPads quite a lot." "It would be more convenient for them* [if we had an IR application]. *I think this is the prevailing trend."* (FGI1)

Comments by Interviewees 3 and 4 indicated that tablet computers are not yet as popular among Finnish analysts. Interviewee 3 stated that these devices are likely to become more relevant in the future, in particular among investors, while Interviewee 4 had not identified any clear trends related to use of tablet computers. Interviewee 3 also pointed out that the company's IR websites should be compatible with smartphones.

> *"We don't have these iPads, but I have seen some* [analysts and investors] *that have had. I would say their relevance is increasing…especially among investors." "If there are important news about KONE, I would probably visit KONE's websites on my mobile phone first." "It is important that the company's websites work on mobile phones."* (I3)

> *"I don't think these devices are becoming popular* [among analysts] *in Finland yet…we are still very much sitting in front of our computers."* (I4)

The somewhat mixed findings particularly reflected the differences between the Finnish and Anglo-American cultures: while the Finnish sentiment seemed to be somewhat skeptical towards the use of tablet computers in IR communication, the findings suggested that there might be a clearer demand for a tablet computer-based IR application in the United States. On the other hand, trends and practices in business communication change fast, and as Interviewee 5 stated, IR communication should be able to adapt accordingly.

> *"Similarly, these things come to IR communication…that world should be able to adapt. Of course, IR can't always be in the front line of testing new things…it should be, however, when it comes to these devices."* (I5)

Thus, companies, including those operating in business-to-business environments, should carefully follow the constantly changing field of business communication and search for new possibilities to enhance their IR communication activities. In addition, companies should pay attention to cultural differences in the use of business communication channels and technologies.

4.2.3 Mobile technologies and corporate image

Next, indirect image effects stemming from the use of new mobile technologies will be investigated. Indeed, the findings provided support for this particular relation. As was discussed in the literature review, positive corporate image is linked to positive corporate reputation and, hence, to enhanced business performance. Using mobile technologies in business communication should thus be also reflected upon the image effect in order to acquire a broader understanding of the benefits of these technologies. Focus Group Interviewee 2 and Interviewee 5 stated the following.

> *"I could imagine that these issues* [new mobile technologies] *might influence audiences' perceptions. If corporate websites, for example, feel old-fashioned…that certainly affects some psychological factors."* (FGI2)

> *"If the company provides all state-of-the-art technological possibilities, it definitely reflects the corporate image. How are they doing? Is the company awake or not?"* (I5)

Interviewee 6 also confirmed that the use of new mobile technologies can send positive signals about the company's attitude towards the evolving field of communication. However, Interviewee 6 said that at the moment new technologies, especially tablet computers, are used for IR communication basically only because of this image effect.

> *"Yes, it* [use of new mobile technologies in IR communication] *is still basically about image building. You should always ask the receiver whether they* [communication practices] *are useful."* (I6)

All in all, using new mobile technologies in IR communication is likely to positively influence the company's corporate image and, eventually, corporate reputation. This

image effect should definitely be taken into account when evaluating the possibilities of harnessing mobile devices for IR communication purposes: ignoring this relation would provide an incomplete picture of the benefits of mobile communication technologies.

4.2.4 Possible future trends and focal areas

This section presents possible future trends and focal areas of IR communication. It should be noted that the discussion takes place outside the actual research questions. As the preceding sections revealed, the fields of business communication and IR communication are experiencing a constant change. Even though the findings suggested mixed attitudes towards the use of social media and mobile technologies in IR communication, the idea was nevertheless perceived as becoming increasingly relevant. In addition, more detailed issues related to distribution of information and communicative impact of Internet-based IR communication emerged in interviews 3 and 5. First, Interviewee 4 pondered whether companies' press releases could someday include HTM-tagged that could be directly copied to analysts' and investors' own databases.

> *"Is there going to be, let's say, EU-level HTM-tagged data that could be copied from press releases or websites?" "That would be great from an analyst's point of view…you could copy HTM-tagged data to your own databases immediately after press releases are published."* (I4)

Interviewee 6 had similar thoughts and stated that more frequent, perhaps even monthly distribution of information could be future reality. Such practices would effectively reduce speculations about companies' key figures. In addition, more frequent reporting would reduce information asymmetry between different stakeholders.

> *"If companies published information on a monthly basis…would that be future? That would certainly put an end to the speculations about companies' sales figures and other key information." "Information would reach all stakeholders immediately."* (I6)

Such changes would of course fundamentally influence reporting practices, and they should be therefore seen as speculative visions. Another topic mentioned by Interviewee 6 was the increasing importance of visualizing and compressing complex messages in Internet-based business communication, including IR communication.

"I would say they [e.g. clarity and being able to compress messages] *still receive too little attention. If we look at investor presentations for example, we can spot a myriad of things that could be improved: these presentations contain so much information." "I think this is the thing we are heading for: visualization. Numbers, of course, will be important also, but you should be able to visualize numbers, strategies and markets etc."* (I6)

Sections 4.1.1 and 4.1.4 of the present study already reflected these issues to KONE's context: the findings identified elements of KONE's Internet-based IR communication that either consisted of extensive amounts of unbroken information or capitalized on informative visualizations. All in all, the most effective Internet-based IR communication practices of the future seem to seamlessly combine quantitative and qualitative information with effective visual elements and tools that compress complicated messages.

4.2.5 Summary

This subchapter indicated that the role of social media and new mobile technologies in KONE's IR communication was perceived as partly ambiguous. Social media services, on the one hand, were considered somewhat irrelevant for the company's prevailing IR communication practices. On the other hand, their relevance should be frequently re-evaluated in order to keep up with the constantly changing trends.

The use of new mobile technologies, especially tablet computers and smartphones, in IR communication was in turn a topic that received less reserved attention. Not only was the role of these technologies as truly useful IR communication devices perceived as increasing, but they were also understood as possessing a positive impact on the company's corporate image and, eventually, corporate reputation. This effect in turn stems for example from the fact that unprejudiced use of new technologies promotes the

company's open attitude towards the evolving field of business communication. The use of new mobile technologies in IR communication was characterized by cultural differences, especially those between the Finnish and Anglo-American cultures. In any case, new communication practices and technologies provide new possibilities and are likely to shape the field of IR communication all over the world.

At the same time, issues related to presentational clarity and compressing and visualizing information were seen as becoming increasingly important in the information-laden world; this topic is also closely linked to the discussions in sections 4.1.1 and 4.1.4 of the present study. In addition, other possible future trends of IR communication include distribution of HTM-tagged data on an international level and perhaps even more frequent reporting conventions.

4.3 KONE's IR communication, stakeholder relations and corporate reputation

This subchapter concentrates on research question 1.3 by examining how KONE's Internet-based IR communication affects the company's relation to its stakeholders. In addition, the relations between KONE's Internet-based IR communication practices and corporate reputation will be investigated. The role of IR communication as a crisis management tool and reputational risks posed by Internet-based IR communication will also be briefly examined. However, the subchapter first addresses some general issues related to the ways in which Internet-based IR communication influences the distribution of information between the company and its stakeholders. The discussion will be based on the focus group and semi-structured interview findings.

The literature review suggested that effective Internet-based IR communication provides individual investors basically with the same information that previously was only available to analysts and other influential members of the financial community. This, the ability of the Internet to reduce information asymmetry between different stakeholders, was confirmed by Interviewee 5.

> *"Only a small percentage of investors can directly contact the top management." "The Internet is more equal in information distribution."* (I5)

Interviewee 6, however, also stated that even the Internet has not completely equalized information distribution: individual investors are still at 'a disadvantage' in comparison with analysts and professional investors, because they do not have access to all of the same information sources.

"The Internet hasn't eliminated the fact that small individual investors are always late. Analysts and large-scale institutional investors acquire information also outside the Internet." (I6)

Indeed, analysts and other influential members of the financial community use information channels unavailable to smaller individuals: Interviewees 3 and 4 emphasized the fact that these channels, which include for example Bloomberg and Reuters, are highly important in their work. Interviewee 3 stated the following.

"We have other databases also. We get news and latest share price information from Reuters, for example." (I3)

Thus, Internet-based IR communication has made a wider array of information available to a broader audience, but it has not completely equalized information distribution between companies and their different stakeholders. Analysts and other members of the financial community still have information sources that are unavailable to individual investors. The following section moves the discussion to KONE's corporate reputation.

4.3.1 Corporate reputation

The findings indicated that KONE was generally regarded as a company with a strong and solid corporate reputation; this is also in line with the literature review (see e.g. Aula & Heinonen, 2011, p. 29; Pohjoisranta, 2010). More specifically, KONE's favorable reputation was mentioned for example by Focus Group Interviewee 1 and Interviewee 4. Interviewee 4 stressed that KONE, being a well-managed company, has consistently met its targets and hence created additional shareholder value.

"I have a feeling that analysts and investors regard KONE as a high-quality, well-managed company." (FGI1)

"KONE has an excellent reputation." "The company has been very successful, and it has fulfilled its tasks well. This can be basically seen in KONE's share price. The share performance has been excellent." (I4)

As both comments suggests, KONE's solid reputation has been among other things constructed upon continuously target-oriented and skilled management style and, eventually, ample financial performance. Next, light will be shed on how corporate reputation can influence the company and its IR communication activities. Emphasis will be put on the role of corporate reputation in crisis situation management.

4.3.2 Effects of favorable reputation

This section first describes how favorable reputation can support the company's IR communication activities and IR professionals' daily work. Then, more detailed discussion about the interplay between corporate reputation, overall business performance and crisis situation management will be provided.

According to the findings, positive corporate reputation can support the company's IR communication activities and make IR professionals' work somewhat easier. Focus Group Interviewee 1 argued that favorable reputation reduces the need to explain why the company would be a good investment target. Simply put: reputation functions as a marketing tool and promotes the company by itself.

"It helps IR work if you can be proud of the company and if it's generally known that the company is high-quality. The question of whether anyone is willing to invest depends on various issues, but at least we [IR professionals] *don't have to explain that our company is all right." (FGI1)*

Positive corporate reputation was then interpreted as beneficial for at least IR professionals' work, and the focus group and semi-structured interview findings provided no counter-arguments why this would not be applicable to other employee groups as well. For instance, Argenti (2009, p. 84) and Helm (2007, as cited in Grützmacher, 2011, p. 32) argued that the concepts of corporate reputation and employee satisfaction and retention are closely linked together. In addition, the findings

indicated that the financial community is likely to prefer companies with good reputations. Interviewee 4 argued that even though financial analyses should be purely objective, analysts and investors often have preconceptions and perceptions that can influence analyses and investment decisions. For example, companies with favorable reputations can be seen as more predictable and less risky than companies with weak reputations.

> *"Practically all analyses have subjective starting points. They are always forecasts, and forecasts are always affected by perceptions." "If the company is seen as good, low-risk and growing, and if those growth streams are predictable...then you are probably willing to pay premium."* (I4)

Interviewee 3 regarded financial analyses as purely objective and stated that reputation should not affect analyses at all. Interviewee 3, however, confirmed that favorable corporate reputation undoubtedly enhances audiences' perceptions of the company.

> *"People always remember if the company has a bad or good reputation." "But analyses aren't based on reputation. Of course, investors may see companies with good reputations more interesting...or they become interested more easily."* (I3)

The findings supported the view that IR communication practices significantly influence audiences' perceptions of the company and corporate reputation management; the concepts of corporate reputation and IR communication, including Internet-based IR communication, were thus perceived as being in a close interplay with each other. According to Interviewee 5, the role of IR communication in reputation management is more important in business-to-business than in business-to-consumer environments.

> *"If we talk about listed companies operating in B-2-B environment, the role of IR communication* [in reputation building] *becomes more important."* (I5)

The final topic to be presented here is the relation between corporate reputation and crisis situation management. For example, Argenti (2009, p. 84), Aula and Heinonen (2011, pp. 22-23) and Laufer and Coombs (2006) discuss some of the ways in which favorable reputation can shelter the organization against crisis situations. On the other

hand, as Focus Group Interviewees 2 and 1 argued, crisis situations can seriously damage the company's reputation. Elaborating on this theme, Focus Group Interviewee 1 also stated that IR communication can turn out to be a vital function in weathering these situations.

> *"Theoretically speaking, crises can be extremely harmful for corporate reputation, especially if these situations are poorly managed."* (FGI2)

> *"When the company is in a crisis, if there is, let's say, a hostile takeover situation, the role of IR is rather important. It depends on the company, of course, but in many cases it has indeed been IR that has managed the defense against takeover." "IR plays quite an important part in crisis communication situations."* (FGI1)

Good reputation cannot alone weather crises. Instead, as Interviewee 6 stressed, the company has to be concretely prepared for such situations with crisis communication plans that also cover IR communication. More specifically, Interviewee 6 stated that companies should pay more attention to the role of IR and Internet-based communication in crisis situations.

> *"Internet-based communication is very useful in crisis situations because of its speed. Where else can you tell your story in such a situation?" "Some companies haven't thought about the basics, let alone what Internet-based crisis communication would mean from the IR aspect." "I would first ask how the company has prepared for crisis communication situations."* (I6)

Thus, corporate reputation can influence the company, its employees and their daily work on multiple levels. Solid reputation can also promote the company among its stakeholders and help IR professionals in their work. Additionally, positive reputation can shelter and support the company in crises, unwanted situations that often pose a serious threat to the company's reputation. Finally, the role of IR communication and crisis communication plans in crisis management was stressed. More specifically, Interviewee 6 emphasized the importance of Internet-based IR communication.

4.3.3 IR communication and reputational risks

This section examines what risks IR communication can pose to corporate reputation. Indeed, the findings confirmed that virtually all forms of Internet-based business communication can risk the company's reputation; the literature review of the present study addressed this topic by for instance examining studies by Laaksonen (2011), Park and Lee (2007) and Valor (2009).

As the following comments by Focus Group Interviewee 1 and Interviewees 5 and 6 indicate, Internet-based IR communication, and IR communication in general, were considered no exceptions. Focus Group Interviewee 1 emphasized that IR communication should especially promote the company as a consistent and patient actor. Interviewee 5 in turn stated that lying or hiding important information would probably be the most harmful thing IR communication could do. Interviewee 6 considered audiences' role critical as there is sometimes space for misinterpretations or unequal distribution of information, especially if the company utilizes various communication channels.

> *"It is very important to consistently communicate the company's views…we* [KONE's IR professionals] *have to be careful and avoid hasty conclusions."* *"One simple example would be that we would say something stupid about our key markets…that would be very harmful."* (FGI1)

> *"Theoretically speaking lying about something would be the worst thing. But in practice the worst thing would probably be that the company would hide something…a profit warning, for example."* (I5)

> *"Information should be equally and simultaneously distributed to all stakeholders. There are possibilities for misunderstandings and misinterpretations: somebody could discover that some information communicated in social media isn't available anywhere else."* (I6)

Even though Interviewee 5 stated that these aforementioned risks are real, Interviewee 5 also confirmed that IR communication is a highly regulated and even thankless field in comparison to many other forms of business communication.

> *"IR is in a sense very regulated and 'boring'" "In a way, IR work is quite thankless. When everything is OK, you don't get much feedback, but if IR does something stupid, it can be catastrophic." (I5)*

Hence, risks related to IR communication seldom become reality, but, on the other hand, the impact of badly managed IR might turn out to be dramatic when something unwanted happens. In this sense, IR communication clearly differs from numerous other business communication areas, for example marketing communications.

4.3.4 Summary

Subchapter 4.3 first described how Internet-based IR communication has made information distribution between companies and their different stakeholder groups more equal. However, the findings indicated that the Internet has not completely equalized these processes: analysts and other influential members of the financial community still have access to information sources that are unavailable to individual investors. Thus, individual investors were perceived as being at a certain disadvantage.

The discussion then moved to KONE's corporate reputation. KONE was perceived as a well-managed, high-quality company with a strong and favorable reputation. The findings suggested that KONE's reputation as a company that consistently meets its targets was reflected in the share performance. The discussion was in line with the literature review (see e.g. Aula & Heinonen, 2011, p. 29; Pohjoisranta, 2010).

Favorable corporate reputation was in turn interpreted as something companies should maintain, as it positively contributes to the employees' daily work, satisfaction and, eventually, employee retention. Favorable reputation can also make the company more interesting in external audiences', for example the financial community's, eyes and provide important support in crisis situations. The role of IR communication in reputation management was interpreted as prominent especially for companies

operating in business-to-business environments. Similarly, IR communication, including Internet-based IR communication, was regarded as an important function in crisis communication. Hence, the relevance of extensive crisis communication plans was emphasized.

At the same time, poorly managed IR communication, as is the case with virtually all forms of business communication, was considered a potential threat to corporate reputation. Even though the discussion treated IR communication as a highly regulated discipline, unequal, incorrect or inconsiderate distribution of information was highlighted as a relevant reputational risk stemming from IR communication. However, even though the consequences of poorly managed IR could be dramatic, the discussion suggested that risks related to IR communication seldom become reality.

5 DISCUSSION

This section discusses the main findings of the present study and connects them to the reviewed literature. The main objectives of this study were to reflect KONE's Internet-based IR communication practices upon industry conventions, other companies' corresponding practices and internal and external audiences' perceptions, to examine how the company could capitalize on social media services and new mobile technologies in its IR communication activities, and to investigate how KONE's Internet-based IR communication practices influence KONE's relations to its stakeholders and the company's corporate reputation.

The study revealed that even though KONE's Internet-based IR communication practices were mostly well in line with industry conventions and other companies' corresponding practices, there were numerous issues that could have been improved in order to achieve a higher communicative impact. In fact, it was somewhat surprising that I was able to identify so many elements: KONE is after all a company that has been quite successful in several website competitions (see e.g. KWD Webranking, 2011b; Pörssisäätiö, 2011). This could be seen as an indication that the company should practice truly outstanding Internet-based business communication. According to the present study, however, KONE's Internet-based IR communication activities did not really stand out from the selected companies' corresponding activities. This, in my opinion, shows that either the overall level of Internet-based business communication has not yet peaked, or the aforementioned website rankings are not highly trustworthy.

As the findings of the qualitative content analysis accentuated, all five selected companies practiced Internet-based IR communication that was partly better than KONE's equivalent activities. On the other hand, some parts of KONE's IR communication practices were considered better. The relevance of critically reflecting the company's Internet-based business communication activities upon other companies was emphasized by Gaulke (2007) and Virtanen (2010, p. 173). The three data sets and the equivalent analysis methods supported each other well and provided multiple

perspectives to the study. This increased data triangulation and quality and trustworthiness of the findings (see e.g. Eisenhardt 1989, p. 43; Yin, 2003, pp. 97-99).

The most relevant findings related to usability and clarity of KONE's Internet-based IR communication suggested that KONE's IR websites had slightly complicated navigation features, the search function was compromised and links to relevant external sources were vaguely available. Additionally, some sections were characterized by minor technical issues or extensive amounts of unbroken text. Use of visuals, bullet points and tables was also somewhat modest, even though certain elements of the corporate websites suggested that KONE definitely possessed the skills and understanding to provide highly informative visuals.

The importance of navigation and access to external sources was particularly emphasized by Gaulke (2007), while Mars, Virtanen and Virtanen (2000, p. 169) stressed the role of website design. However, their analyses remained rather narrow: hence, their detailed implications for the present study will not be discussed further. Some findings cannot be unambiguously connected to the literature review, even though for example Higgins (2000, p. 57) emphasized the importance of clarity in IR communication. Additionally, sections 4.1.4 and 4.2.4 identified increasing visual communication as a potential focal area of future IR communication. Thus, this study has identified issues related to usability and clarity of Internet-based IR communication that, according to my knowledge, have not been extensively discussed in existing research literature. The lack of existing research is surprising, because the present study explicitly suggested that being able to compress and visualize information is an important prerequisite for effective Internet-based IR communication in the future.

The key findings related to the relevance and quantity of information distributed through KONE's Internet-based IR communication were virtually in line with the literature review. However, some topics were interestingly discussed in more detail in the interview or qualitative content analysis findings. Appropriate examples of such topics are the discussion about KONE's growth assumptions in relation to market data and the relevance of business-specific profitability figures. Even though Argenti (2009, p. 207) and Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30) stressed the

importance of market and result analyses as well as linking the expectations about the company's valuation to the financial reality, the findings of the present study covered these issues more thoroughly. In addition, the findings argued that KONE's approach to describing its business operations, competitive landscape, sensitivity analyses and smaller orders was somewhat broad in comparison to industry conventions and other companies' Internet-based IR communication practices. The importance of communicating basic information about the company's business operations was stressed by Gaulke (2007), while sensitivity analyses were emphasized in the 2009 IR website competition arranged by the Finnish Foundation for Share Promotion (Virtanen, 2010, pp. 173-176). However, some findings cannot be directly connected to the reviewed literature, and they hence represent the novelty value of the present study. Because of its highly detailed approach to certain issues, I believe this Master's Thesis provides important new insights not only to academics but also to business practitioners.

Key characteristics and benefits of Internet-based business communication were to some extent discussed in the focus group and semi-structured interviews. For example, the swiftness of Internet-based communication emerged in the interviews: offering speed and coverage, the Internet was deemed an effective communication context, particularly in crisis situations. This topic was also mentioned by Debreceny, Gray and Rahman (2002) and O'Kane, Hargie and Tourish (2004, pp. 76-78). Another issue that raised discussion in the interviews was Internet-based IR communication's ability to decrease information asymmetry between the company's different stakeholders. At the same time, however, the findings of the present study also pinpointed that the Internet has not completely eliminated information asymmetry. Analysts, professional investors and other influential members of the financial community still use their own information sources like Bloomberg and Reuters, which means that individual investors are still at an 'informational disadvantage'. This topic was covered by for example Mars, Virtanen and Virtanen (2000, p. 165) and Ettredge, Richardson and Scholz (as cited in Bollen, Hassink & Bozic, 2006, p. 275).

The question of how KONE's IR communication would benefit from social media and new mobile technologies received mixed comments. Social media services were not considered relevant for KONE's prevailing IR communication purposes. Nevertheless,

the findings indicated that the presence of these services had become undisputed, and many academics and practitioners have previously been interested in social media and its business communication-related applications (see e.g. Aula, 2010; Aula & Heinonen, 2011; Grützmacher, 2011). Mobile technologies, especially tablet computers and smartphones, were on the other hand regarded as more important. Being a relatively new area, the relevance of these technologies in IR communication was not explicitly covered in the literature review, and hence the discussion was an important contributor to the novelty value of the present study. Utilizing these technologies in IR communication was interpreted as a step to increase the perceived quality of the company's IR communication, send positive signals about the company's attitude towards modern technologies and enhance corporate image. Indeed, enhancing corporate image by improving the company's overall service level was discussed for instance by Argenti (2009, p. 83) and Chun (2005).

Corporate reputation, one of the key concepts of this Master's Thesis, is a topic that has received increasing attention from both academics and business practitioners. Generally speaking, the present study suggested that favorable reputation can support the company in numerous ways and have positive financial consequences. For example, solid reputation can to some extent enhance the financial community's perceptions of the company, function as an effective marketing tool that promotes the company by itself and provide shelter against crisis situations and market declines. KONE was perceived as a well-managed, high-quality company with solid reputation: this was also confirmed by Aula and Heinonen (2011, p. 29) and Pohjoisranta (2010). All in all, the findings related to the impact of corporate reputation on overall business performance were well in line with the literature review (see e.g. Argenti, 2009, p. 84; Aula, 2011a; Aula & Heinonen, 2011; Chun, 2005; Doorley & Garcia, 2007, p. 4; Hill & Knowlton, 2008; Mazzola, Ravasi & Gabbioneta, 2006; Siomkos & Kurzbard, 1994, as cited in Laufer & Coombs, 2006, pp. 380-381).

As KONE operates in a business-to-business environment, the role of IR communication in the company's reputation building and management was regarded as prominent: it should be remembered that the target audiences of IR communication activities are often the company's most influential stakeholder groups (see e.g.

Cornelissen, 2011, pp. 45-47). The findings also suggested that IR communication, including Internet-based IR communication, can become an important crisis weathering tool. More specifically, section 4.3.2 presented hostile takeover as a situation in which the role of IR communication might become vital.

Finally, possible future trends and focal areas of IR communication was an area that was briefly touched upon in section 4.2.4. Even though this topic was not covered in the research questions, the focus group and semi-structured interview findings provided insights that were interpreted as interesting not only for the case company but also for future research purposes. The findings suggested that companies could publish financial figures and other important information more frequently, perhaps even on a monthly basis, in order to intensify information flows and reduce information asymmetry. This rather ambitious vision was accompanied by discussion about possibilities of providing HTM-tagged data and increasing the role of visual communication and compressing information in the future. The analysis of these issues remained rather narrow, and hence the discussion represents the exploratory side of this study.

6 CONCLUSIONS AND RECOMMENDATIONS

This chapter briefly summarizes the present study, presents all practical recommendations for KONE, describes relevant limitations of the study and provides suggestions for future research.

6.1 Research summary

The main objectives of this study were to reflect KONE's Internet-based IR communication practices upon industry conventions, other companies' corresponding practices and internal and external audiences' perceptions, to examine how the company could capitalize on social media services and new mobile technologies in its IR communication activities, and to investigate how KONE's Internet-based IR communication practices influence KONE's relations to its stakeholders and the company's corporate reputation. The three research questions are presented below.

> *RQ 1.1 How do KONE's Internet-based IR communication practices compare with industry conventions, other companies' corresponding practices and the perceptions of KONE's internal and external audiences?*

> *RQ 1.2 How could KONE capitalize on social media services and new mobile technologies in their IR communication?*

> *RQ 1.3 How do KONE's Internet-based IR communication practices affect its relations to the stakeholders and corporate reputation?*

The literature review was divided into four subchapters in accordance with the key concepts of the study: the Internet, IR communication, corporate reputation, and the relation between Internet-based IR communication and corporate reputation. The effects of Internet-based IR communication on corporate reputation had not been extensively discussed in existing research literature. Similarly, the use social media and new mobile technologies in IR communication was such a novel topic that it was not explicitly covered in the literature review. Thus, some parts of the present study can be seen as explorative. The research framework was constructed from the reviewed literature.

The following three data sets functioned as the foundation for the findings: KONE's Internet-based IR communication practices, selected companies' Internet-based IR communication practices, and the focus group and semi-structured interviews with internal and external audiences. The first two data sets were analyzed with qualitative content analysis based on Krippendorf (1980), Gaulke (2007), Mars, Virtanen and Virtanen (2000, p. 169), Rouhiainen (2002, as cited in Salminen, 2008, pp. 28-30) and Virtanen (2010, pp. 173-176). The interviews, on the other hand, were recorded and transcribed, after which all relevant results were translated from Finnish to English by the author. All citations relevant for the outcomes of this study were then presented in the findings.

All in all, the present study capitalized on multiple data types and perspectives. This increased data triangulation, the perceived value of the findings and, eventually, trustworthiness of the study. In addition, several new areas were briefly explored, which enhanced the novelty value of this Master's Thesis. The following discussion presents all practical recommendations for KONE.

6.2 Practical recommendations

This subchapter first presents the recommendations related to usability, clarity and relevance of KONE's Internet-based IR communication practices. Second, the role of social media and new mobile technologies in KONE's IR communication will be evaluated. Third, recommendations related to corporate reputation and crisis management will be provided for KONE.

<u>Usability, clarity and relevance of information</u>

The number of subheadings on KONE's IR websites should be reduced, or some sections should be moved to more logical locations. For example, the following changes could be made: "Calculation of key figures" presented directly in "Key figures"; "Accounting principles 2011" presented directly in "Accounting principles"; "Credit rating" presented directly in "Financing facilities"; "Shareholder agreements" presented under "Shareholders"; "Share capital" presented directly in "Share information"; "Latest trades" presented directly in "Share monitor"; "Corporate governance statement

"2010" presented perhaps directly in "Corporate governance 2010"; "IR policy" removed, as the same information is presented in "Investor service"; "Changes of address" perhaps removed, as the same information is presented in "Information for shareholders". Combining sections would require minor changes to the names of those sections. Alternatively, KONE could evaluate whether a new interface would enhance usability and clarity of the IR websites and the corporate websites. For example, first-level headings could be presented in a horizontal bar and second and third-level headings as a vertical list on the left-hand side of the screen.

Some sections, for example "Business reviews", "Shares and shareholders" under "Investor service", and "Capital and risk management", should be condensed with bullet points, lists and / or interactive subheadings embedded in texts. Short introductory paragraphs could also be used to crystallize the key messages. Generally speaking, KONE could use more visual elements to illustrate complex issues, especially as the role of visualizing and condensing messages is likely to increase in the future.

The technical problems of the "Key figures" section should be fixed and the slightly compromised interface of the "Investor calendar" section revised. KONE should also remove all unnecessary scroll bars on the IR websites, for example in the "Financial information" section. In addition, the sitemap of KONE's websites doesn't show third-level headings at all. However, the problems with the search function are more relevant. The function should be improved, as it sometimes fails to find information, cannot sort results by date, and cannot provide IR-specific results only. KONE's IR websites could present the complete path of links the visitor has taken, and the access to relevant external websites should be re-evaluated and organized.

The first recommendation related to relevance information is that KONE should provide more basic information about its business model, operations, products and services and business environment. For example, lifespans of projects could be described. The "Solutions" section or its subsections "Products" and "Services" should be at least more explicitly linked to the IR websites. The link box on the right-hand side of KONE's IR websites could be utilized here. If possible, the company should publish more quantitative information about its operations and financials, for example order intake

volumes on a geographic basis and / or profitability figures per divisions, businesses and geographic areas. Communicating more information about smaller orders would also be interesting. In addition, the company could provide summaries of major orders.

KONE should analyze its competitive landscape in more detail and provide more comprehensive descriptions of its own growth assumptions, increases in efficiency and other growth drivers in contrast to market data. Similarly, KONE's Internet-based IR communication would benefit from more detailed sensitivity analyses. These analyses could be presented in a tabular form. The company could also present the major investments and divestments on the IR websites. Alternatively, this information could be better linked to the IR websites. Major investments and divestments could also be presented as a timeline.

Dynamic consensus estimates received somewhat reserved comments in the findings. Thus, KONE does not necessarily have to introduce such estimates. Nevertheless, dynamic estimates might be useful for some stakeholders, and their relevance should not be completely neglected. Finally, KONE could publish some management letters on the IR websites in order to achieve a more personal feeling. However, this is not highly important, as the company publishes these letters in the official reports.

Social media and new mobile technologies

Next, recommendations related to the use of social media and new mobile technologies will be presented. As social media was not perceived as relevant for KONE's IR communication at the time of the study, no immediate actions have to be taken. Anyway, the role of these services is likely to increase in the future, and the company should thus follow and frequently evaluate trends and adapt accordingly. Additionally, KONE could conduct a survey among foreign stakeholders in order to identify differences in social media use between Finnish and for example Anglo-American stakeholders.

New mobile technologies, especially tablet computers and smartphones, on the other hand, received less reserved attitudes. Thus, KONE should better harness these technologies for IR communication. Even if these technologies, in particular tablet computers, were not popular among Finnish stakeholders at the moment,

Anglo-American analysts and investors might be more interested in these devices. KONE should at least make sure the company's IR websites are compatible with smartphones. It should be borne in mind that use of new technologies can also enhance corporate image and positively contribute to corporate reputation.

<u>Corporate reputation and crisis management</u>

KONE has a strong corporate reputation, which can be seen as an important competitive advantage for the company. Maintaining good reputation should therefore be considered important. As KONE operates in a business-to-business environment, IR communication plays an important part in reputation and crisis management. Thus, KONE should ensure the company has comprehensive crisis communication plans that cover the role of IR communication and, more specifically, Internet-based IR communication also. Moreover, if the company decided to open an IR profile in Facebook or other social media service, special attention should be paid to aligning all messages with the company's overall IR communication strategy in order to avoid unwanted misinterpretations and reputational risks.

6.3 Limitations of the study

This study has been fundamentally characterized by its case study nature and the fact that it has basically been tailored to KONE's needs. As was discussed in subchapter 3.1, case study is a useful approach when the topic under examination is a novel one and strong theoretical foundations do not exist (Eisenhardt, 1989; Flyvbjerg, 2004). Of course, case studies have their weaknesses and limitations, against which the present study has not been immune.

In many parts the discussion has solely revolved around topics related to KONE's Internet-based IR communication and corporate reputation. This, on the one hand, means that some findings are not directly applicable to other contexts. Internet-based IR communication practices of different companies are on the other hand quite homogenous with each other, which enhances the possibilities of applying the findings to other contexts, especially in business-to-business environments. Anyway, applying findings to other contexts should be carefully evaluated in a case-specific manner.

In addition, another important issue related to the nature of case studies is that such studies are often liable to subjectivity and bias (Gibbert, Ruigrok & Wicki, 2008; Yin, 2003). This study benefited from multiple data sets perspectives, which increased data triangulation and quality and trustworthiness of the findings. Even though the focus group interview was conducted within the case company, it did not increase subjectivity of the study in any significant way. Overall, the interviews provided appropriate and unbiased, if somewhat limited results. The main problem was that all interviews were conducted in the Finnish context.

It would have been interesting to interview for example Anglo-American analysts or investors in order to acquire new perspectives to the analysis. However, it should be borne in mind that selected parts of Internet-based IR communication practices of two foreign companies, FLSmidth and Eni, were used as data in the qualitative content analysis. Additionally, conducting additional interviews would have been beyond the scope of this study, as the amount of data was quite extensive already. Even if additional interviews were conducted, many findings and recommendations of the study would have still remained suggestive.

Finally, as the main focus of the present study has been on usability, clarity and contents of KONE's Internet-based IR communication and use of social media and new mobile technologies in IR communication, the relations between IR communication and corporate reputation admittedly received less attention. However, conducting a comprehensive analysis of these relations would probably be a topic broad enough for one Master's Thesis report. Nevertheless, even the brief discussion presented in this study was able to identify important findings and, eventually, recommendations related to KONE's IR communication activities. Additionally, as the concept of corporate reputation has gained lots of attention from both academics and practitioners lately, the inclusion of the topic can be justified.

To conclude, the present study is quintessentially a case study with some of the characteristic weaknesses and benefits of case studies. However, use of multiple data sets and approaches has positively contributed to the perceived value of the findings and trustworthiness of the study. Next, suggestions for future research will be presented.

6.4 Suggestions for future research

The somewhat large amount of topics covered in the present study resulted in the following future research suggestions. All suggestions are unrestrictive in a sense that they all describe broader topics rather than detailed ready-made research questions.

First, possibilities of utilizing new communication technologies and practices, especially social media services and mobile technologies, in IR communication could be examined in more detail. Indeed, the importance of these practices is likely to increase in the future. In addition, this study has suggested that companies operating in a business-to-business environment might be less eager to engage in social media-based communication than business-to-consumer companies. One potential future research question would be how business-to-business companies could utilize social media services in their IR communication.

Second, the importance of improving the company's Internet-based IR communication practices through visualizing and compressing complex messages has been an important topic throughout this study. More specifically, the role of visual elements in Internet-based IR communication is likely to increase. This trend is primarily fuelled by the fact that companies need to be able to crystallize their messages in order to achieve their communication targets in the modern information-laden world. This broad area could result in multiple business communication research topics that could enable using various analytical approaches, for example content analysis.

Third, the relations between Internet-based IR communication and corporate reputation could be studied in more detail. Even though this study investigated the topic to some extent, the actual analysis remained quite narrow and basically concentrated on the case company. The role of Internet-based IR communication in crisis situations would be an especially interesting topic for two reasons. First, crisis situations pose serious risks to corporate reputation. Second, IR function often plays an important part in crisis management. In addition, thanks to its speed and versatility, the Internet can become a fundamentally important communication context when a crisis hits the company.

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APPENDICES

Appendix 1: Discussion framework of the focus group

1. The Internet as KONE's business communication context

    1.1. The role of the Internet in the company's business communication

    1.2. Benefits, challenges and possible threats of Internet-based communication (e.g. speed, low distribution costs, quality and quantity of information)

2. KONE's IR communication on a general level

    2.1. The importance of IR communication for the company (e.g. the impact on the relations between the company and target audiences, valuation)

    2.2. Most relevant target audiences, communication channels and / or practices

3. KONE's Internet-based IR communication

    3.1. The role of the Internet in IR communication (e.g. the Internet in relation to other IR communication channels and / or practices)

    3.2. The relevance of IR website competitions and rankings (e.g. the Finnish Foundation for Share Promotion, KWD Webranking)

    3.3. Comparing KONE's Internet-based IR communication to other companies

    3.4. Developing and researching KONE's Internet-based IR communication (e.g. suggestions, recommended focus areas)

    3.5. IR communication and new communication technologies and practices (e.g. social media services and mobile technologies)

4. KONE's reputation, IR communication and the financial community's perceptions

    4.1. The relevance of corporate reputation in planning and implementing IR communication activities (focus especially on Internet-based IR communication)

    4.2. Corporate reputation and the financial community's perceptions (e.g. impact on investors' willingness to invest, valuation)

5. Free discussion and comments on previous topics

Appendix 2: Discussion framework of interviews 2 and 3

1. Companies' Internet-based IR communication activities as analysts' and investors' information source

    1.1. Discussion on a general level, comparisons to other IR communication channels and practices (e.g. conference calls and road shows)

    1.2. Companies' financial tools and their relevance for analysts and investors

2. KONE's Internet-based IR communication

    2.1. KONE's Internet-based IR communication in comparison with other companies, both Finnish and foreign ones

    2.2. Improving KONE's Internet-based IR communication (e.g. usability, clarity and contents of the company's IR websites)

    2.3. The relevance of dynamic consensus estimates from analysts' and investors' point of view

    2.4. Changes in analysts' and investors' attitudes toward IR websites with time

3. New communication technologies and practices in IR communication

    3.1. Mobile technologies (e.g. smartphones and tablet computers) in IR communication and their relevance for analysts and investors

    3.2. Other modern communication practices (social media services, e.g. Facebook and Twitter) in IR communication

4. Corporate reputation and its relevance for analysts and investors

    4.1. Effects of corporate reputation on the financial community and attitudes towards the company

    4.2. KONE's corporate reputation (e.g. interviewee's own perceptions)

Appendix 3: Discussion framework of interviews 4 and 5

1. The importance of the Internet as a business and IR communication context
   1.1. Discussion on a general level (e.g. comparisons to other communication channels or contexts, quality of communication)
   1.2. Benefits, challenges and possible threats of Internet-based communication (e.g. speed, low distribution costs, quality and quantity of information)
   1.3. The role of the Internet in IR communication (e.g. the Internet in relation to other IR communication channels and practices, possible trends)

2. Effective Internet-based IR communication
   2.1. Discussion on a general level (e.g. the relevance for companies)
   2.2. Planning and implementing Internet-based IR communication (e.g. relevance and quantity of information, structural issues, focus areas)
   2.3. Examples of high-quality IR websites, both Finnish and foreign ones (e.g. the Finnish Foundation for Share Promotion, KWD Webranking)
   2.4. Common problems and pitfalls of Internet-based IR communication

3. Effects of IR communication on corporate reputation and relations between the company and the financial community
   3.1. The relevance of corporate reputation on a general level
   3.2. The concept of corporate reputation in digital environments (e.g. unique characteristics, potential threats and challenges)
   3.3. IR communication as a factor influencing corporate reputation (e.g. comparisons with other forms of business communication, effects of IR communication on the financial community and attitudes towards the company)
   3.4. Synthesis: Internet-based IR communication and corporate reputation (e.g. Internet-based IR communication as a challenge and a possibility)

Appendix 4: Supplementary information about the interviewees

Focus Group Interviewees 1 (Karla Lindahl) and 2 (Katri Saarenheimo) represented the IR communications function of KONE and hence acted as the internal audiences of the present study. Research problems of the present study were formulated in co-operation with Focus Group Interviewees 1 and 2. In addition, both Focus Group Interviewees were helpful in arranging interviews 2 and 3 and other practicalities.

Interviewee 3 represented Company A, one of the leading Nordic investment banks. Company A focuses on the following three business areas: securities brokerage, investment banking and private banking. More specifically, market research conducted by Company A especially investigates Nordic companies. (Company A websites, 2011). Interviewee 3 was familiar with KONE and its IR communication activities, as he / she followed the company in his / her daily work.

Interviewee 4 (Jari Harjunpää) represented Company B (Öhman Finland), a company operating in equities trading and fund management. According to their websites, the company primarily concentrates on "large institutional investors, listed companies and select private investors". (Öhman, 2011). Interviewee 4 had familiarized himself with KONE's IR communication activities in his daily work. Additionally, Interviewee 4 was a member of the analyst group in the 2010 IR website competition 2010 arranged by the Finnish Foundation for Share Promotion (Pörssisäätiö, 2011).

Interviewee 5 represented Company C, one the leading communications consultancies in Finland. Company B's specialization areas include financial communication and IR communication. (Company B websites, 2011). These areas were considered relevant for the purposes of this study and, thus, the interview with Interviewee 5 was arranged.

Interviewee 6 (Jouni Heinonen) represented Company D (Pohjoisranta), a management consultancy specializing in communication and especially issues related to corporate reputation management (Pohjoisranta, 2011). In addition to possessing a long career in consulting business, Interviewee 6 had also authored and co-authored several publications on corporate reputation (see e.g. Aula & Heinonen, 2011).