

The investor relations revolution and social media

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17 Nov 2011

Not so very long ago, it seemed that investor relations entailed little more than a few well-written press releases here and there, a press conference at annual results time and, perhaps, a few boozy lunches with key stakeholders if investor confidence seemed to be waning.

Fast forward to the second decade of the 21st century, however, and the business landscape is completely unrecognisable. In a world in which shareholders are spoilt for choice regarding where, when and how they get their news, investor relations has now become a key aspect of a company's strategy - particularly when it comes to the question of these investors' communication expectations.

An important part of the investor-relations revolution is the role of social media. Twitter, Facebook, YouTube, Slideshare and blogging are no longer just in the realm of the personal. While your stakeholders may enjoy following their favourite singer on Twitter, they may also be influenced by the daily blogs of industry experts and get regular updates on your competitors from Facebook. Quite simply, the social media space has undoubtedly shifted the power firmly into the hands of the investor, as the information they now have access to is no longer determined by large corporates and mainstream media agendas.

Smorgasbord of choice

Perhaps the most significant outcome of this smorgasbord of choice offered by new media is the change in investor expectations, not only in the medium and frequency of information, but in the nature of its content too. The faceless, detached corporations just don't cut it in this new era of openness and over-share. Social media demands a multifaceted, three-dimensional online presence - stakeholders need to feel as though they are engaging with a real human being. Therefore it is essential that companies appoint an individual who can accurately and authentically present the corporation's personality, online. People are more inclined to trust who they are connected to on virtual communities rather than reading quotations from company spokespeople on a news agency's website.

This trust can become a powerful tool in the event of a crisis. If strong relationships are built with stakeholders via social media in the good times, this environment of transparency and investor confidence will give the company a sound footing in bad times. In addition, the real-time nature of online communities means that you are able to address any negative publicity quickly, accurately and on multiple platforms, once again not having to rely on mainstream media to decide on the story's newsworthiness and potentially misinform your stakeholders.

They want the full story, the bigger picture

What investors want from a company in the social and online media space is simple: they want the full story, the bigger picture, the good, the bad and the ugly. Of course, we are still in the public relations business so all this information has to be disseminated with a certain amount of finesse and a good helping of strategy, which is where the investor relations officer comes in. It must be remembered that these new communication tools are just that - tools. They are not miracle workers and cannot supplant a communication strategy. Just as you would map out your mainstream media plan, social media also requires careful thought and consideration, even though it may come across as being a very spontaneous medium. Careless and throwaway posts may be acceptable as an individual, but as a company they could have unwanted consequences.

Basic guidelines

So if your company is a newbie in the neighbourhood of online media, or looking to join this interactive community, then what are some of the basic guidelines that you should be following? Firstly, you should ensure that your content is intriguing and diverse. For this, you need to do a bit of homework and find out what other players in your industry are doing. Online and social media is very much a creative, inspiring space and has very few limitations, providing you always keep in mind your communication strategy and your audiences.

Secondly, you should look at distributing this content through multiple channels which complement one another and speak to one another. This will enable you to make the most of the individual strengths of each channel and minimise their weak points. Thirdly, remember that one of the core ideas behind this kind of media is its interactive nature. These tools provide ideal forums for stakeholder feedback on everything from your annual results to your latest products, to trends in your industry. Thus, you need to cater to these expectations in the kind of information you share.

Finally - keep at it! Outdated and uninteresting content can be more damaging to your company than having no online presence at all. Keep in mind that you are building a web "personality" for your brand and that static profiles and blogs communicate a lackadaisical character, which investors may extend to the company itself.

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