



DISCONNECTED & DISINTERESTED?

South African Social Media Landscape 2014

Executive Summary

South African listed companies are failing to take advantage of digital communication channels to directly engage with their stakeholders. An analysis of the JSE Top 40 companies by market capitalisation, conducted by FTI Consulting, shows that only **25%** (10) used Twitter to share their interim, or final year results while a staggering **42%** (24) do not even have a Twitter handle.

At a time when investors say they find digital communication more insightful and more motivating than traditional communications, such as a press release, South African firms aren't adapting to and using new means of communication to speak to their stakeholders.

According to the SA Social Media Landscape 2014 research study, by World Wide Worx and Fuseware there are



Twitter saw the highest percentage growth among the major social networks



Traditional media such as newspapers, radio or TV offer monologue communication – they broadcast messages for people to receive and consume. Social media on the other hand, enables anyone to create content and information, and enables constant dialogue. In short, the difference can be summarised as ‘one-to-many’ versus ‘many-to-many’ communication.

This new form of communication presents a whole new set of challenges and opportunities for a business, but it can't be ignored. Customers use it. Investors use it. Employees use it. Potential new employees use it. Journalists use it. And there's a good chance that some or all of these stakeholder groups are using social media to discuss your business.

If you're not listening to, or participating in, these conversations with your stakeholders then you're missing out on opportunities for insight and you don't have an opportunity to influence the outcomes.

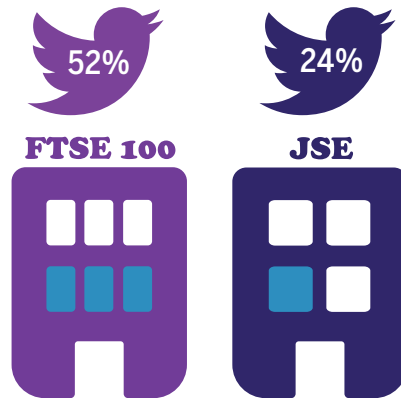
Getting Connected

The research conducted by FTI Consulting shows that among the JSE Top 40 even those companies that do have Twitter handles are not using the social media platform to its full potential.

A case in point is multinational media company Naspers which is heavily invested in digital media. Out of the Top 40 companies Naspers should have been the most likely to embrace digital communication and social media, yet the company's Twitter handle has only tweeted 22 times, with the last tweet in November 2013. It did tweet about its interim results to September 2013 but provided no information on its full year results to March 2014.

Surprisingly the best user of Twitter is mining group Anglo American which uses a variety of social media platforms to communicate information directly to its stakeholders regarding its financial and corporate performance.

This might be a result of it having its primary listing on the London Stock Exchange where companies have been more willing to embrace digital communication channels. Research by FTI Consulting in the United Kingdom found that over half (52%) of FTSE 100 companies used Twitter to share their latest interim or full year results, compared with just 24% of the Top 40 JSE listed companies.



There is also very little uptake by South African corporates in using other digital media platforms such as LinkedIn, Facebook and YouTube with which to bring their corporate stories to life. They are, as a result, losing share of voice and their communications remain analogue in a digital world.

The research showed that very few of those companies who have a Twitter handle are using hashtags effectively to provide context to their results day. Once again Anglo American is the stand out, using hashtags around its results as well as deploying a variety of self-generated and media rich digital content.

The research found that the majority of those companies with a Twitter handle use the social media platform merely as a distribution network, Tweeting links to a static, text heavy press release on their websites. These companies are failing to appreciate that Twitter is not a medium for distributing press releases but a platform to engage in discussions.

While South African companies might have been slow to adopt digital and social media to communicate their financial performance, executives are waking up to its importance.

A survey of South African business executives at the World Economic Forum in Davos (February 2014) by FTI Consulting found that **38%** said their organisation participated in Twitter. A further **11%** said they currently didn't but planned to make an

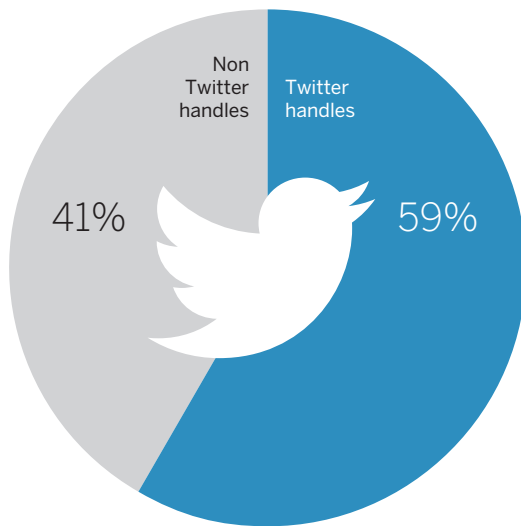
investment. But this was offset by **22%** who said they had no intention of participating on Twitter.

In contrast a global survey of executives by FTI Consulting found **36%** planned to increase their investment in Twitter while **29%** said they wouldn't invest in Twitter as a digital communication channel. Yet **73%** of the executives say that they believe companies would increasingly turn to social media to report financial results.

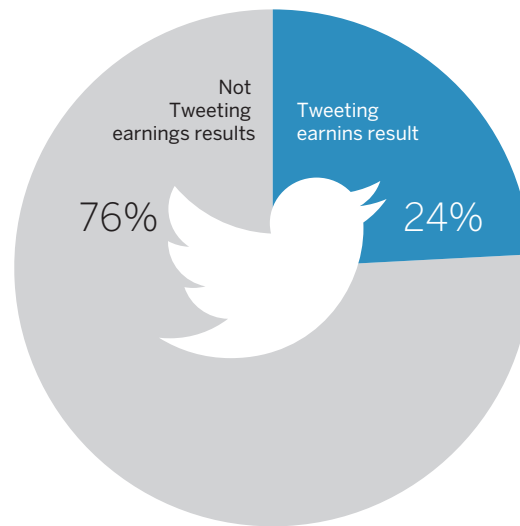
In terms of preparing themselves for reputational issues online, **67%** said their businesses were either partly prepared or unprepared.

What is clear is that while social media has gained ever increasing popularity, companies have been slow to exploit these channels as a way to engage with their shareholders, investors and customers.

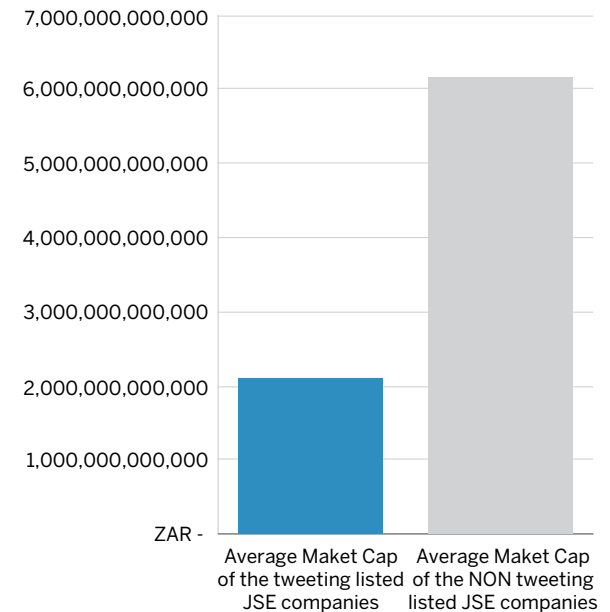
Listed JSE top 41 that has an official tweet handle



% of JSE top 41 listed companies that are tweeting earnings results



Average market capital



Our guide to tweeting on results day



It's important to remain flexible and reactive on the day, but there is still a great deal of preparation you can do in advance. Key messages can be taken from the release and scripts and turned into tweets. Compiling the content ahead of time will help ensure your messages are consistent and will help your sign-off process.

Plan your content

Twitter is increasingly used as an alternative newswire. Let your company's followers know about the results timetable the day before the announcement. Tweet about the results immediately after the announcement has appeared on the stock exchange's regulatory news service (RNS) live feed. Most of the conversations about the results will happen in the hours immediately following the announcement — so to increase your share of voice and to wield influence, this is when your company should be tweeting too.

01

02

Timing matters



#

Use a #hashtag

05

Hashtags are a useful way for your followers to track conversations about your company's results. Using a hashtag or dollar sign also provides context for the tweet without using up too many characters.

04

Provide links



There is only so much information you can include in one tweet. Help your stakeholders find more context and materials by including links to more content in your tweets. Consider using a URL shortening service such as bitly which allows you to track traffic.

03

The CEO message



Just as you will be planning for key messages to be present in all results related materials, ensure that your CEO has adequate airtime on Twitter through the use of key quotes, facts and soundbites. One of the first three tweets around results should feature the overall key message in one go. You're likely to find this is the tweet many of your followers will want to share.

09

Beyond broadcast: Be social

Remember that for social media to be an effective medium for building relationships and communicating your messages, companies need to be engaging in two-way dialogue — being truly social. Make sure you're listening to the conversations about your company on results day so your communications stay relevant, you're able to join conversations in real time and correct any misinformation.

08

Be creative

Think a tweet can only contain 140 characters? Think again. Infographics are useful for telling complex number-led stories in an eye-catching and digestible way. When designing your infographics make sure they are the optimal size for Twitter timelines and that they are clear and simple to understand.

07

Live tweeting from analyst announcement

Reinforce your company's key messages by live-tweeting through the analyst call. This provides those not present on the call with a glimpse into what has been discussed while further amplifying your communications.

10

Evaluate and plan



06 Cross-pollinate across media channels

Retweeting commentary about financial results can help reinforce messaging and provide followers with useful context and analysis. Additionally, if management are making appearances on broadcast media, make sure you alert your followers on Twitter in advance so they can listen in or watch.



So how can you mitigate the risks and leverage the opportunities?

Whether your business is 'social' or not shouldn't be a case of 'all or nothing'. To be ubiquitous on social media would be profligate and to do nothing would leave your business unable to shape conversations and unnecessarily exposed to reputational risks. Outlined below are three stages of corporate social media strategies – and what your business needs to be doing to make sure it is being most effective at each stage.

1 **The bare minimum:** listening and being prepared for any eventuality

There are some minimum requirements that every business needs to be adequately prepared to protect its corporate reputation. Every business has to begin somewhere and this starting point is usually with mitigating the reputational risks associated with external events and crises, and the conversations already happening about your business online. In order to do this you will need to have social media listening procedures in place, processes to deal with handling crises or correcting misinformation and colleague guidelines.

- Activate on-going social media monitoring
- Establish reporting for measurement and insight
- Develop and embed employee guidelines for social media use
- Create a presence on key channels for response
- Develop processes and plans in the event of a crisis or the need to correct misinformation

2 **Broadcast mode:** amplifying the effect of your existing communications

Most companies appreciate that in addition to risks, there are also many advantages associated with engaging stakeholders on social media too. Journalists, investors and employees all use social media as a source of news and information – just like a news wire. It's important then that your company is pushing out and broadcasting your news and information to as wide an audience as possible. In that sense social media helps to reinforce and amplify your existing messaging.

- Re-purpose all your existing news and events and broadcast through social media
- Develop a content plan for your social media channels
- Integrate and optimise all your social media channels
- Establish a clear tone of voice for your business
- Establish reporting for measurement and insight

3 **Truly social:** engaging with your stakeholders and creating dedicated content

A couple of years ago there used to be a divide between those businesses which were engaging on social media and those who weren't. Increasingly, today the divide is between businesses that are on social media and those who are using social media well to maximise the impact of their stakeholder communications. For social media to be an effective medium for building relationships with stakeholders and increasing positive sentiment, companies need to be engaging in regular two-way dialogue. The clue is in the name here, to make the most of the opportunities companies need to move beyond broadcasting and be truly social.

- Join and create conversations online
- Create engaging content specifically for social media (e.g. videos, images, infographics)
- Harness the power of your people by encouraging them to engage online