

Best Practice Guidelines

Using Social Media in an IR context

Updated April 2013



About these guidelines

The emergence of social media in recent years has brought about fundamental changes in communications and marketing practices which continue to evolve at a rapid pace. The challenges this presents in establishing clear Best Practice guidelines are obvious, but this document aims to help IR teams to understand the benefits (and in some cases risks) of using social media in an IR context and to offer guidance on how to get started.

For the purposes of these guidelines, social media includes the key social media platforms such as Twitter, YouTube and Facebook as well as blogs and discussion groups.

Successfully engaging on social media can increase the reach of your communications to potential investors, enhance your engagement with existing investors and analysts, improve control of your messaging, increase traffic to your corporate website and enhance your Search Engine Optimisation (SEO). Engagement with social media is also an increasingly crucial component of risk management and crisis communications planning.

The appropriate degree of social media engagement will vary from company to company. Some companies may decide not to engage actively with their audiences on social media, others will seek competitive advantage in active and early adoption. However, ignoring social media entirely is no longer a credible option for companies which treat communications seriously: many of the key social media platforms create company pages automatically and, like it or not, companies are being discussed on these platforms and in blogs.

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Prior to engagement

Each company will use social media differently but it is worth setting out your objectives and developing relevant KPIs you think fit to measure success.

Understand

Recognise the difference between the web presence that you can control (e.g. your corporate website and your social media accounts) and the web presence that you cannot directly control (e.g. what is said about you elsewhere).

Engaging with social media will not eliminate this difference but it can help you to:

- Monitor what is said about you
- Correct misinformation
- Direct users to the web presence that you do control

Look

Identify and take control of your existing social media presence. Many companies are surprised to discover that they already have an extensive social media presence. Accounts may have been set up automatically (e.g. Community pages on Facebook) or in good faith by regional offices, junior staff, etc. They may carry conflicting or inaccurate information. They should be assessed, reviewed and, if necessary, consolidated or closed down.

Identifying what your peers are already doing in this space is also recommended. Knowing which social media platforms work well for your sector and which ones are unpopular will save you time, effort and expense when it comes to determining your own social media strategy. It is also useful to understand what content your peers regularly submit on social media and what response this generates – as well as understanding the style and tone of their engagement.

Listen

Use monitoring to find out how your company, your peers and broader industry issues are already being discussed on social media. This allows you to assess: the degree of engagement that is appropriate; which platforms you should focus your efforts on; and what issues you should address on social media.

Monitoring can be done in-house or externally using a range of techniques and tools. The cost of monitoring can be high, depending on the provider and the level of monitoring required. But it is also worth exploring the many free monitoring and alerting tools available, which can provide some useful entry-level data.

Useful intelligence can include:

- Volume, frequency and geographical location (how often, when and where do relevant conversations take place?)
- Topic (what issues or subjects in relation to your company are most commonly discussed?)
- Media type (do these conversations primarily take place on blogs or on Twitter?)
- Sentiment (are these conversations largely positive, negative or neutral in tone?)
- Influence (is anyone who matters listening to these conversations?)

¹ Altimeter Group survey Q1/Q2 2011 recorded an average per US company with 1000+ employees of 178 corporate-owned social media accounts: <http://www.web-strategist.com/blog/2011/07/29/number-of-corporate-social-media-accounts-hard-to-manage-risk-of-social-media-help-desk/>

Getting started

Strategise

A social media strategy will start to take shape by asking the following questions.

Why? It may be stating the obvious, but clarity about what you want to achieve is critical. You need to identify your target audience(s) with which you want to build up a community relationship. For IR this will be principally current and prospective investors but may also include other communities such as analysts and financial journalists. You should also set yourself some targets against which you can measure the success of your involvement.

How? You need to decide whether you are going to use social media simply as an additional channel through which to 'push' information and to respond to enquiries and comments, or to engage proactively with your stakeholders.

Who? You will need to decide who is going to be authorised to engage on social media platforms on behalf of the company. They should make clear that they are speaking on behalf of the company when posting responses. It is not acceptable for employees to pose as an 'independent commentator'. There are likely to be overlaps with other departments/teams and taking a joined-up approach has obvious benefits. Establishing governance over your social media activity is important and is covered further below.

When? A defining feature of social media is its immediacy and to maintain relevance you will need to update your chosen social media channels regularly. This can take some planning, especially in the early stages when establishing your presence.

Where? You will need to consider which social media platforms are most appropriate to your aims and to decide on what content you will be posting and a tone of voice.

Control

Companies should have social media guidelines and policies covering, inter alia, the following issues:

Personal use: Many of your employees will already be using social media on a personal basis. They will need clear guidance explaining what usage is acceptable both at and away from the work place (e.g. use of social media at work / discussion of work-sensitive information, etc.).

Professional use: Advocate for a senior person to focus on and co-ordinate the company's social media presence. Employees who are authorised to use social media on the company's behalf will require guidelines as to how and when to engage and/or respond. As well as issues such as content and tone of voice, this policy should include a triage process for assessing social media commentary prior to response whilst giving clear guidance as to when issues need to be escalated.

Crisis planning: Social media can amplify corporate issues and there are both risks and benefits in this regard. Your existing crisis planning activities will need to take account of developments in social media to ensure that you are able to monitor the development of stories/issues that may impact your reputation and respond effectively if necessary.

Regulation: Corporate engagement with social media is subject to the same rules governing compliance and disclosure of information as for other forms of communication, whether made by an employee on behalf of the company, or in a personal capacity. Authorised employees should also be made aware of the concept of inside information and the requirements not to disclose any such information that has not already been made public through authorised channels.

While it is relatively simple to govern the content that is put out on company accounts, you should also be aware that endorsing third-party material (e.g. using 'like', 'rate', 'favourite' and similar features of social media sites) may also make these views attributable to the company. This may even be the case when employees (who state their connection to the company on their profile) endorse third-party posts on their personal accounts.

Common sense should prevail, but further guidance should be sought from your compliance officer.

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Co-ordinate

The appropriate look and tone that is adopted will vary, but there are benefits to taking a co-ordinated approach to your web presence in social media and on your corporate website.

- Accounts should be branded consistently and in accordance with any corporate style guide
- Company profile biographies should be aligned
- Every account should provide clear links to the corporate website
- The purpose of each account should be clearly defined
- Links to other official social media accounts should be provided where appropriate

Integrate

Your corporate website should be updated to improve the linking to any social media accounts and to facilitate the sharing of website content with other social media platforms. This can include:

- Incorporating links to social media accounts on key pages in the site
- Adding 'sharing' functionality across the site to encourage the distribution of links back to the website across social media platforms
- Adding 'sharing' functionality for specific elements (e.g. documents, images, video), to encourage distribution and usage of these across social media platforms
- Dedicated social media pages to act as a hub within the website
- Ensure consistent messaging across channels, ensure disclosure compliance and timeliness of communications
- Consider making strategic content available on YouTube via videos featuring key products/services, senior management discussing company goals, past investor presentations, etc.

In addition, you should promote your social media presence on other digital and printed collateral, at events, etc.

Monitor

Regardless of your level of engagement, you should regularly monitor activity on your own official social media accounts and monitor what is said about you on social networks and blogs.

The scale and intensity of your monitoring can always be increased around planned events, known issues, or when otherwise necessary.

Remember that your company will be discussed on social media whether or not you have an active presence.

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Update

Interesting and informative content is the key to engaging successfully on social media. You should endeavour to update content regularly.

IR teams may operate under regulatory constraints, but there remain many ways in which social media can complement existing communications channels and practices. Use of social media can also be used for a more informal style of communications, which can be valuable in establishing a sense of transparency, credibility and accessibility.

Practice is evolving continuously, but here are some examples of ways in which companies have been using social media for investor relations:

- As distribution channels for corporate news, using links to drive traffic back to corporate websites
- Live tweeting of highlights from results presentations and other corporate events
- Informal communications, e.g.:
 - Links to relevant market/industry information
 - Commenting on market/industry news
 - Publicising awards and other external recognition
 - Highlighting thought-leadership and expertise
- Developing a consistent strategy for counteracting the rumour mill
- Providing latest updates to fast-moving events and crises
- Extending reach through sharing presentations, video material and images to key social media platforms

Tone of voice is also important. Where appropriate, third-party commentary on your content should be responded to promptly and professionally. Responses should be positive and constructive. Where possible, you should refrain from deleting negative comments.