



## Social Media 101 for IR

The NIRI Los Angeles Chapter hosted a NIRI In Your Neighborhood luncheon in the Conejo Valley on April 20, 2016, to discuss Social Media 101 for IR. The presentation and discussion was led by NIRI LA board member Heather Wilson. Heather is managing director and head of the San Francisco office for The Abernathy MacGregor Group, a corporate and financial public relations agency.

Heather shared her insights and experience about both new and established social media IR initiatives and talked about the fact that social media has been an SEC-sanctioned means of Reg FD-compliant communication since 2013. The discussion included:

- A review of the pros and cons of an IR social media program;
- Ways that IROs can initiate and expand upon existing PR uses of social media;
- An overview of the basic social media channels to consider for broad, rapid and engaging outreach;
- Practical housekeeping items to implement and maintain an IR social media presence;
- A review of global social media IR trends; and
- Tips for getting a social media program started.

### The Basics

Five social media outlets to consider are Twitter, StockTwits, LinkedIn, Facebook and YouTube. Heather stated that while all social media channels have the potential to “enter a world where everyone is given a megaphone,” the benefits outweigh the negatives. Social media can be used as a platform to reach out with company-specific information, comment on industry trends, connect with key influencers, or be an asset during time-sensitive crisis communications. If you don’t control the message, others will do it for you. If your company already has corporate or product videos available, posting them on YouTube makes them accessible to a new and larger audience.

### Housekeeping

In addition to updating corporate disclosure policies, corporate governance also will need to be updated. Take the time to guide employees through your social media policy. Even if your company is not on social media, look at what is being said about your company and your peers. Monitor your social media program a couple of times each day (depending on your level of information flow) and plan to post at least once per week and up to three times a week. It’s effective to have messages come from different “voices” (IR, C-suite, etc.).

### Trends

The fastest growing social media/digital segment is mobile. An interesting note is that small cap companies are the second highest users of social media. Perhaps they see the value to get noticed and cut through the clutter with good bang for the buck. Also, based on the recent [NIRI Social Media for Investor Relations Survey – 2016](#) (login required), 73 percent of IROs are not using social media. Heather noted that according to a 2015 BNY Mellon report, the top two reasons for not using social media for IR are lack of investor demand and insufficient internal resources.

## Getting Started

Strengthen the corporate website by making it user friendly (a wall of plain text is off-putting) and optimize it for mobile access. The goal is to make the IR page a go-to resource for financial reporters, analysts and shareholders. Use videos and other graphics to show and tell the company story and its process. Examples of well laid out websites are: [GE](#), [Coca-Cola](#) and [ABB](#).

## Takeaways

- Social media provides additional platforms to push out messaging to a new audience and stakeholders.
- Use of social media for SEC disclosure is sanctioned (as long as investors have been alerted about which social media will be used to disseminate such information).
- Use social media as an add-on for disclosure, not as a stand-alone outlet.
- Get started by leveraging the corporate website where you have full control of content.
- Don't filter out all negative posts.
- Allowing constructive criticism builds credibility when a company balances both positive and negative comments.
- Have an employee social media policy (including personal use of social outlets).
- See examples on [NIRI website](#) (login required). Scroll down to Disclosure (see [a] Written Disclosure/Communications Policy, and [b] Statement of Co. Policy: Corp. Communications).
- Optimize social media for use on mobile devices.
- Prepare by having pre-approved messaging on both routine and hot topics available to you.
- A pre-existing social media presence and following can be a valuable tool during crisis communications.

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