Online Touchpoints

White Paper

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Synopsis:

As investors progress through their journey from little knowledge about a company to becoming a committed long term shareholder, they gather a variety of facts and impressions from online touchpoints of their choosing. These facts and impressions are the basis for their decision to progress to the next stage of their buying decision process, or not.

This paper discusses the online touchpoints commonly used by investors and provides some insights into how to best present the right information and impressions at those touchpoints.

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1 Executive Summary

Information and impressions gained at various online touchpoints are used by investors as they progress on their journey from identifying needs to becoming a shareholder that will recommend a stock.

In an earlier post in *IRMatters*, and an associated White Paper “The Investor Journey”, we discussed the Investor Journey and how it is important for the IR communication strategy to relate to the journey the investor takes, and the touchpoints the investor chooses.

All touchpoints (such as the company website) will deliver a variety of messages that will communicate both facts and impressions about the company.

Those facts and impressions will be interpreted differently, by different investors, different types of investors, and investors at different stages of the journey. They will help investors make decisions, both rational and emotional, about whether or not they will move to the next stage of their journey.

Some touchpoints will tend to be used earlier in the investor journey, others later. Some touchpoints are suited to some types of media, others best suited to different types.

At any stage of the investor journey the investor can choose which touchpoint they want to use. They will base their decision to progress to the next stage on what they find at that time at that touchpoint. The company cannot determine which information and impressions will be relevant to which touchpoint at each stage of the investor journey.

Consistency and timeliness of messages (facts and impressions) across all touchpoints is therefore very important.

An effective online IR strategy delivers the messages

- in the medium investors want
- using the touchpoints they choose
- at the time they want it.

This white paper is a discussion of the touchpoints.

This thinking leads to a discussion of the success factors for an online IR strategy. This is explored in more detail in a third white paper in this series, Success Factors, accessible from the IRM website at www.irmau.com.

At IRM, we are online investor communications specialists. We understand the investor journey, the touchpoints and the success factors.

Of course each company needs a good story and good messaging. IRM helps to best deliver them to the touchpoints that investors are using at the time that they need to see them.

In the 2015 summer edition of Listed@ASX magazine, IRM CEO Martin Spry discussed the investor journey and the resulting ten principles for online communication. Read more about the Listed@ASX article in this IRMatters blog post.

If you would like to chat about this with Martin Spry, be cautious – it’s his favourite subject, and the conversation might not be short! He does coffee on the subject, and can be reached by email on martin.spry@irmau.com, or by phone on +61 2 8233 6168.

2 Messages and Target Audiences

Each decision to progress it the next stage of the investor journey, or not, is made based on some information given in messages, which is collected somehow through a touchpoint.

Messages are usually a mixture of facts and impressions. Sometimes a great fact, delivered poorly, can be less effective than an ordinary fact delivered well.

This is because investors don't always make entirely rational decisions – particularly when they are in the early stages of their journey and know that they haven't yet attempted to consider all the facts.

Most IR practitioners will understand the importance of different messages for different target audiences, and in particular, how messages for investors (e.g. we're very profitable) might be different to messages for consumers (e.g. we're very cheap).

This principle also applies to investors at different stages of the investor journey. People at the early stages want to gather confidence in the company and its industry, have a good impression of its management and prospects, and then they might decide to invest more time in their decision process.

When investors are closer to the buy stage, they may want more financial numbers, projections and forecasts, share prices and charts and so on. Some will then want extensive historical financial reports for detailed analysis.

We don't know what stage an investor is at when a message is delivered to a touchpoint, nor do we know exactly what information they need to make a positive decision to progress to the next stage. So impressions matter at every touchpoint, and quick navigation to successively more detailed facts is needed to deliver for later stage investors.

3 Timeliness of Messages

The world of listed company news in Australia is driven by the ASX Announcement.

The market moves instantly. A small subset of investors will see the news immediately and may move the price. Others who are slower might miss out. Many might have a FOMO – fear of missing out.

If the company is delivering ASX Announcements to touchpoints itself, the delivery should be "immediate":

- If the company makes an ASX Announcements and the details are not there on the investor website, the company has lost some credibility and trust.
- If a company promises email advice of announcements, and delivers the email significantly later than the time of the announcements, it's almost an insult to the "favoured" investor who sought to be notified when it happens. Regardless of the content of the message.
- On the other hand, a well-considered website update and associated email alert, delivered "immediately" after the announcement is released, creates a strong impression of credibility, caring and trustworthiness. Even if the message is not such good news.
- Another example might be a tweet of an announcement an hour after the release by the ASX. By then, Twitter may well have had several posts on the subject without the benefits of the company's input, reducing the corporate credibility. If you choose to use Twitter, be first with the news.

4 Early Stage Touchpoints

At the early stages of the investor journey, the potential investor may not even know our company name or ticker code.

The touchpoints they will use are places where there is general information about the industry or the opportunity. They may look at a list of recommendations from a broker or adviser, an article in an online newspaper, membership of an online forum or industry website, the ASX website, a tweet on a related subject, or a post in an online forum.

We can't control what messages investors will see here. However, we can seek to influence them by making sure that the third parties who are publishing these messages (who we probably do know) are receiving our messages through touchpoints of their choosing at the time they need them. Then the third parties are more likely to present the same information and impressions we wish to create for the investor.

The big one is Google search.

Once an investor knows our company name or ticker code, they should be easily able to find us on page 1 (preferably at the top) of Google search. If we can do better than this, other search terms relating to our industry, the executives' names, the names or geographical regions of projects or services, should all rank highly.

Page 2 of Google is a great place to hide dead bodies – not many people go looking there.

Google search is also customised to the individual's browsing habits. So if your company ranks well on your desktop or phone, that doesn't mean it does so for people who haven't browsed to you before.

You won't get the corporate website to dominate the entire first page of Google search. That's because Google likes to deliver variety. There will be other websites there, people who have mentioned your name in some other context. Ideally though, a visitor to those places will get the same information you want them to see, and will find a link to your website (or an article on it) on that other site.

Search engine optimisation is a huge subject, and a place for potential large investment. But to get the basics right is a matter of following a few simple guidelines. Here's three to start your thinking:

- Be authoritative, unique, complete and informative in the text on your site
- Use the key words often and consistently on many pages (e.g. in the titles of your ASX Announcements)
- Fill in the few key website tags and other technical things that Google likes and ranks highly.

Almost certainly the result of the first activity is to find the company name and the URL of the corporate website. If we pass the investor's tests then, the next step will probably be the website.

5 The investor website

Ideally, within a few seconds of finding out the company's name the investor should be looking at the investor website. If there's a big online presence, investors are happy to look for the link "investors" in the navigation – they will enjoy a quick glance at the online business first.

The investor home page should create a great impression (for first time visitors) clear reasons to continue the journey, and provide simple and effective navigation to what investors want (for returning visitors).

Investors coming to a corporate website know what they want. They are also time poor. They are busy and important people, and have plenty of other places to put their money.

The home page and first impression is vital. It must create a favourable impression, enticing the investor to read what's on it – simply and quickly. It must sell the first click (or scroll) to more information.

We think companies should assume they have two clicks / scrolls only. And they have to sell the second one. So the latest and most important news should be one click away from the home page.

The first click / scroll needs to deliver most of the information they are likely to want. It must provide easy navigation to almost all of the remainder of the website, and still be fast, credible and trustworthy.

Don't expect investors to be prepared to go on a random journey of discovery through your site by scrolling down ten times to see what you might have decided to present to them next. They will prefer to move on.

The investor website should be the authority on everything relating to the company. Full explanations, full access to historical ASX Announcements, Annual Reports and so on. Easily found in the navigation and readily searchable.

Many of the returning visitors will have come back because they have noticed or been told about a piece of news. So the news needs to be there at the time they come back. Immediacy is good.

The website should be up to date to the minute. It's just not good enough to say "oh, yes, that's information is old, but the real truth is in the recent ASX Announcements, go searching there for any differences." The new Chairman's smiling face should be there on the site just after the announcement of his or her appointment. Otherwise – well, does the company really care about the new Chairman?

Once the visitor is at the site, try not to throw them away. Don't link off to some other site to provide some often requested information about the company (e.g. the share price) or the industry that should be on the investor site.

6 ASX Announcements

In Australia, ASX Announcements drive listed company news releases.

It used to be that releasing an ASX Announcement was enough to have communicated with investors. The distribution by the ASX and its data providers still does reach large numbers of investors, particularly fund managers and professional investors with access to the paid subscription services, or the online broker websites.

However, for people who don't have that type of access, the retail investors and many SMSF managers, the simple release of an ASX announcement won't reach them.

In any case, there are about 400 ASX Announcements a day. That's a lot of clutter. If you want to cut through and reach the people who have shown an interest in the company previously, the company website with an associated alert will draw attention to it.

If you use social media, the tweet / post can readily link back to the full announcement PDF for the authoritative news.

Once the ASX announcement is yesterday's news, it is still a valuable source of information about the company. Provide an authoritative list of all historical ASX Announcements on the website.

While that's necessary, it's not sufficient. The important announcements, results, presentations, annual reports etc., quickly get subsumed by the routine and regulatory announcements. Provide additional pages on the website to highlight historical financial results announcements, the latest annual report and historical reports, past presentations, maybe past webcasts and videos, on separate pages easily found in the navigation.

Don't rely on the ASX to hold the historical information. Did you know that the ASX website (as at February 2016) does not respond to Google searches about the content of past announcements? In any case, the ASX website takes too many clicks to find past announcements. The company website should be the reliable repository of all historical announcements.

Make sure your site search finds the words within the ASX Announcement PDF's, and that Google search can find all the historical announcements and the text within them.

7 Mobile and responsive

Much has been written about the enormous trend to mobile devices. Those of us who sit on buses or trains can attest to it, even those who walk along our city streets. Google's "mobilegeddon" is promising lower ranking for sites that don't look good on phones and tablets.

Investors are participating in this trend as much as others.

Last year's answer was to have a special mobile website with just a few pages – those that investors will want to see while they are mobile. But that answer is no longer good enough, the entire investor website should respond well to all different form factors. It's called Responsive Design.

Having said that, the desktop version is far from dead. Around 70% of investor website visits are still from desktops or laptops. Investors might have a glance at something on their phone, but they will do their deeper thinking at a desktop or laptop.

And it's not last year's issue. A recent analysis by IRM has revealed about one third of ASX listed companies (including a number of bigger ones) do not yet have responsive web sites.

8 Notifications and Alerts

Investors will not wake up in the morning and rush to your website to see if you have some news. Their return visit will be prompted by a notification or alert, which in turn is usually driven by an ASX Announcement.

With mobile devices and social media there are more and more ways people can be alerted. Broker apps also offer alerts. Different people will use different methods.

Most investor websites offer the ability to subscribe for an email notification service. This method of being alerted has been around for a long time, and is still a favourite method for many investors.

It's up to the company to embrace investors wanting a notification to provide it as soon as the announcement is released. Email alerts are pervasive (though not often immediate) and other alert mechanisms (e.g. with Apps) are increasing. Social media tools offer alerts for all their services and can be used by investors, but here your news risks getting lost with the latest tweets about the Kardashians, so it's probably not valid to just rely on those methods.

9 Social Media

Investors are increasingly turning to social media. Twitter seems to be the main one, probably driven by the trend in the US for companies to make their earnings calls on twitter.

Every listed company is already represented on Twitter. Don't think you "don't do Twitter", because others are already doing it for/to you. In this IRMatters post, we say that "If you think you're not on Twitter, think again".

$cashtags on Twitter provide a thread for every ticker code. If you have important news, and you're not the first to tweet it on your $cashtag, then you are leaving it to others to set the twitter agenda for your news. Leaving it to them to create the impressions and deliver the facts that an increasing number of investors might use to decide to make that next step of their journey.

Other social media channels to consider are LinkedIn, Facebook, YouTube, Slideshare, Flickr, Wikipedia and more.

More and more, smaller companies are using LinkedIn, where they think they have a chance of identifying numbers of potential investors and keeping in touch with them. If the executives are on LinkedIn with lots of connections, they can "personally" and easily broadcast their message to a good selection of investors, without relying on people following the company page.

Many social media posts don't carry the full story right there. They tend to link off to somewhere else for the reader who wants the full story. That somewhere else will usually be the corporate website, the best way to keep the consistency of messages across different touchpoints, and to help the ranking and credibility of the site.

YouTube channels are great for those companies that are good at producing video content. It's fast and reliable, easily searchable, and helps you rank well on Google search. You can deliver a list of the content of your YouTube channel on your website, improving the navigation so investors arriving at either place can seamlessly explore information on the other. It can also be free, but in that case expect to get sick of those pesky ads trying to entice your investors to click away from your news.

Social media strategies range from "hide" to "fully embrace". Few companies these days can afford to hide, particularly with Twitter which (with the advent of $cashtags) provides nowhere to hide.

Compliance and disclosure risks increase as the social media strategies become more engaging, as do the people costs of keeping up. Automation helps, both with lowering costs and better timeliness. Other tools exist for monitoring and alerting people who are the subject of social media posts.

Show the recent social media posts you have made on the corporate website. If you're confident, think about showing the whole twitter feed. Encourage investors to find and explore the newer touchpoints, they might be more suitable to their needs.

10 A Company Blog

Not all news needs to be a boring PDF of an ASX Announcement.

A company blog can be a place to further elaborate on the news, or provide a more personable type of additional news. Blogs are easy to set up and can be incorporated seamlessly into the investor website, with email alert subscriptions attached for new blog posts.

The company blog might also be a good place to cover other news – e.g. coverage in the media of recent news, or relevant industry news or political issues that the company can properly have a view on.

Blog posts can elaborate on company news and point to different pages of the website, and can themselves be the reference point for a social media post.

The website home page latest news section might carry a mix of recent ASX Announcements and recent blog posts.

11 Media

The messages delivered at each touchpoint can be text, images, voice, video, ASX Announcements, tables, reports and many more.

They can be short tweets or long detailed explanation and analysis. Investors at different stages at different touchpoints will expect – or simply prefer - different delivery mechanisms for the messages. The wrong format of message for that particular stage and touchpoint might cause a loss.

Some touchpoints require specific media types. So if you want a presence on say YouTube, you will need some videos or webcasts. Many people are more and more looking to video as a media for online communication of more detailed concepts. Be careful when delivering them mobile, though. Bandwidth is still an issue for many investors, and even the extra few seconds to download might be a turn off.

12 Budget impact

More messages, different media types, delivered through more touchpoints, comes with increased effort and resulting cost.

Automation of processes can help, and can also help improved timeliness.

Bigger companies with bigger budgets for investor relations will naturally tend to reach more investors at each of the stages in their journey.

Investors in smaller companies expect to see lesser spend on investor relations – they know budgets are limited and don't want to see their funds wasted on unnecessary marketing. Paradoxically, though, they still expect to see the news immediately, responsively, on touchpoints of their choosing, and they don't appreciate being confused by out of date information.

13 Summary

Many online touchpoints, and third party touchpoints, are transitory. News comes and goes, sometimes before it's noticed.

So we try to relate the content back to the investor website. The investor website is the baseline. The rock. The source of truth. The pervasive, responsive, complete, and up to date repository for all information about the company.

Where we are in complete control of the messages, if not the audience.

14 Success Factors

What does all this mean for an online IR strategy?

Success is when the IR communications strategy delivers the appropriate messages through the right touchpoints to suit the investors' needs for their current stage of the investor journey.

In this page on our website, and in more detail in a separate IRMatters post we present IRM's views on the ten best practice principles.

IRM regularly assists listed companies with assessing the gaps in their online investor relations strategies. If you would benefit from a discussion on this topic for your business, please contact Martin Spry by email on martin.spry@irmau.com, or by phone on +61 2 8233 6168.