

Social media and IR: who needs it?

All we read about in the press these days is social media: tweeting, Facebooking, foursquaring, linking in, *ad infinitum*.

By Andy Edson

PR and IR practitioners — both inside the corporate ranks and in the consulting world — constantly tell us we must tweet, send out sound bytes, hypnotize and mesmerize our growing networks of friends, camp followers and countless others.

And, to no surprise, we — the PR and IR profession — tell clients and companies they need to embrace all social media channels as if it's the second coming of the Messiah.

We tell our life's secrets, remove all veils of privacy, and insist this is the future.

I hope not.

Consider a June National Investor Relations Institute (NIRI) annual gathering in San Diego where social media's future and use was widely debated. It's foremost on many minds. After all, a growing number of consultants have preached the gospel, are teaching courses, webinars and the like, and have found the social media channel converts into found new business.

Likely, they are the only ones at this point to have monetized this new communication. There aren't too many others.

Maybe, just maybe, the time will come when social media will drive the IR engine

as we know it. However, that time is not now.

It's still scary and too problematic for IR practitioners. After all, are you going to ask your CEO to write a blog, answer the responses that he/she will undoubtedly get and produce fresh content all of the time?

Get real. Who will run the company, meet earnings expectations asked by Wall Street or exceed them? Twitter?

To reach new constituencies or classes of shareholders — assuming you are at or represent a publicly-held corporation — you do have to think “outside the box” and whether it means the better use of search engine optimization tools to widen the reach of your communications, adding a hyperlink to previous disclosure, sprucing up the FAQ's on your Website, etc., this is *de rigueur*.

It's still an uphill battle, however, with the company's legal team, never mind management, to fully utilize the ever omnipresent social media channels. Nonetheless, changes are afoot.

Then and now

It wasn't that far off when companies dispatched messengers simultaneously to Dow Jones and Reuters (now Thomson-Reuters) — Bloomberg was a very distant third back then — to deliver an earnings release.

At the appointed moment, they would call the company to announce they had arrived at their media point and a countdown would commence. When the cadence hit one, the messengers could hand over the release simultaneously.

That delivery mode became antiquated when the pre-eminent newswires like PR Newswire and BusinessWire and even an upstart Marketwire, got their groove.

But with Reg FD (Fair Disclosure) and the 2002 Sarbanes-Oxley Act still very much with us, although Sarbox has its critics eager to kill it — IR folks have actually gotten used to it and may not want further change. Change causes angst.

Still, the newest drama evolving is the allowing of corporate Websites to place their news and timely information on company sites without coughing up the big dollars the private newswires demand and get.

Consider a one-paragraph news release

that announces an addition to a company's Website without all of the folderol, boilerplate and requisite disclosure (aka Safe Harbor) statement.

Often times, the length of the Safe Harbor language alone exceeds the news in the release, let alone the word count. And, with the newswire transmissions, you pay for word count and circuit selection for starters. This change is coming a lot sooner than social media.

While we are at it, let's be better spellers: don't rely on “spell checker” and proofers. There's nothing better than the naked eye or several pairs of eyes to read and correct a document or news release or website too.

Let's also stop using terms like “carbon copy.” After all, how many of us have ever used carbon paper, whiteout — not the ski vintage, a telex or mimeo machine or possibly even a facsimile machine? It's a declining, almost generational, universe. The Smithsonian in Washington, D.C. likely has or will have a display of these communications tools of the past.

Finally, as much as we read about the demise of the written word and print media such as newspapers, there will continue to be a vital and viable role for them as influencers, even if more newspapers fade into oblivion or try to compete with AOL's Patch.com or similar pioneers in suburban Providence, RI and started by a PR practitioner.

Who knows, they may be on the cusp of succeeding and realizing the ability to monetize before many social media channels do.

At the same time, we shouldn't rule out the cause and effect of what the *Financial Times* and *The Wall Street Journal* (the *New York Times* too, in short order) are doing to get and keep readers by cutting off free access.

They've realized this is the end of their welfare state and that they've a responsibility to their subscribers, shareholders and employees — all important constituents.

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PR Services News

GUATEMALA LINES UP PR

INGUAT, the tourism board for the nation of Guatemala, has hired New York agency Latitude as PR and marketing agency of record to promote tourism to the Central American country.

Latitude will work with INGUAT in branding a North American travel image for Guatemala that emphasizes the country's heritage and attractions. The agency has developed a communications plan that includes PR, trade marketing, special events and promotional initiatives. The campaign will focus primarily on promoting cultural initiatives based on Guatemala's rich Mayan history and traditions as well as the country's colonial heritage.