

Social media and its role in investor relations

By [Noah Greenhill](#)

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Companies already get that social media is a useful tool to relay compulsory regulatory updates and that it can have a significant impact on the brand's reputation in the eyes of consumers, but few seem to consider how it shapes the views of investors.



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The reality is that investors are already looking to social media to gather insights into companies, whether they choose to utilise it explicitly for investor relations purposes or not. In the past, customer complaints were handled quietly and behind the scenes, but thanks to Twitter, Facebook and other channels, these are now broadcast to the world. So, if potential investors want to know how consumers see a specific brand, its social media pages can provide the first clue.

Investors can also instantly share their views on companies with each other as well as with the wider public on these platforms. They can debate whether a company share price is overvalued live on Twitter for everyone to see.

Telling the story we choose

Investor relations have been democratised. Annual reports and trading updates are now readily available on company websites, not only to shareholders, but to anyone interested in a company. However, websites still require investors to actively seek out information on a specific company. Social media provides a new opportunity for companies to more actively engage with potential investors and to curate the flow of information to them.

Ultimately social media is not that different from the role that traditional media has always played in investor relations. In the past, investor relations professionals employed press releases, articles and interviews to create an investment narrative for their clients through the traditional media. However, this narrative was always filtered by what journalists and publications chose to cover or to include in the article. Now, social media gives investor relations professionals the power to share the information and tell the stories we choose.

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