

Companies woo investors via social websites

By Tim Bradshaw in London

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Companies are increasingly turning to social media sites such as Wikipedia, YouTube and SlideShare to communicate with investors, a report shows.

The annual "Webranking" by **Hallvarsson & Halvarsson**, a financial communications consultancy, found that 81 per cent of the 150 largest companies in Europe put information about themselves on Wikipedia, the online encyclopedia that anyone can edit. More than half also put photography on Flickr, videos on YouTube and presentations on SlideShare.

The report reflects changing patterns of behaviour among shareholders and analysts, who look beyond investor-relations sites to user-generated content for news and opinions about their companies.

Companies are using social networking sites to reach a wider audience of existing or potential investors than they could attract to their own site. Social networks also allow companies to exchange ideas with customers or address criticism.

Marcus Eriksson, one of the report's authors, said more companies were producing videos and presentations, which reach a much larger audience through social media.

"If a company gets a critical video published about them on YouTube, it is better to answer with a video on YouTube than with a press release on your own website," he said.

French companies make the best use of social media, according to H & H, followed by the British, Germans and Portuguese.

The automotive, beverages and tobacco, telecoms and consumer goods sectors have the largest presence in social media, led by Siemens, Vodafone and BP.

But corporate blogs have largely failed to take off, with just 3 per cent of companies blogging, due to legal concerns.

"[Companies] should definitely have some method for scanning different social media," Mr Eriksson said. "You have to know what is being said about you."

In a survey of business journalists, analysts and investors, H & H found that 91 per cent looked for information on listed companies beyond their corporate sites.

"The capital market is looking for information from companies in various social media channels and at a greater extent than we anticipated," the report said, but noted that the corporate website continues to be the primary destination for investors.

Wikipedia is the most popular social media site for individuals looking for such information, used by more than three quarters of respondents. Around a quarter use LinkedIn and Facebook.