The art of best practice

Making the most of online investor communication tools requires considered planning, development and maintenance of an investor relations website, writes **Martin Spry**.

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INVESTOR RELATIONS (IR) WEBSITES AND ONLINE activities are critical to attracting and retaining investors, and to be successful we need to understand what is in investors' minds.

We know that there are major changes in buying behaviour as consumers use more online information. Listed companies should presume these same behavioural changes also apply to investment decisions.

Listed companies are continually marketing a global product, their shares, online to a largely unknown audience of investors. Share trades are the immediate daily result of ongoing investor marketing efforts.

Investors progress through phases to make buy decisions. They start at *needs* then move on to *researching*, *comparing*, *selecting*, *buying*, *holding* and finally, *recommending*. Modern investors decide to complete each phase using their choice of touchpoints, both online and offline.

Consider this example. An investor in the early phases of buying touches our company online. We don't know each other. The investor is time poor and not sure where their research will take them. He or she is influenced by clues – some logical and rational, such as good content and data, and some emotional and irrational, such as a key message or visual impact. The result is a decision to move to the next phase of the buying cycle, or to move away.

The proportion that moves from one phase to the next is called the decision rate. At each buying phase, similar considerations apply. Another decision, another decision rate. For five phases, there are four decisions to reach the buy phase.

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If each decision rate is one in 10, for every 100 investors that start with *needs*, 10 will proceed to *research* and only one will make two decisions to get to *compare*. For two more decisions, that's just one person who reached *buy* for every 10,000 who commenced the process at *needs*.

Best practice

Best practice at each touchpoint, for each phase, understandably gives the best chance of recruiting and retaining investors. Maybe the decision rate improves to one in five. That's one person making a *buy* for every 625, yet it is a 16-fold improvement.

Many offline touchpoints are personal, such as meetings, phone calls, presentations and emails. We can hope for better decision rates with personal touchpoints. Personal touchpoints usually only suit investors in more advanced phases, where we know each other.

Today, investors mostly do not use personal touchpoints without first using online ones. If we're trying to meet with a financial institution, mostly they will review us online before agreeing to meet.

With some online touchpoints we can try to influence who is accessing our material and the messages they receive, but we don't know which phase they are in at the time.

Of the many online touchpoints, the corporate website is king. It is the source of truth. Here, we are in charge of all the messages – despite not being in charge of the audience.

Some online touchpoints are much harder to control. Who can say what happens in online media, social media and chat rooms? Only one thing is certain. If we're not putting messages there, we have no control. For an example, look at your $cashtag on Twitter. This feature allows users to click on stock symbols and see what is being said about the company on Twitter.

Yet all these other online touchpoints initially source their information from us, maybe the website or an ASX announcement.

Best practice depends on the cost-benefit equation, as it does in every marketing campaign. Investors expect larger companies to be better, and expect less of smaller ones. There's no absolute measure of best practice, just some principles.

Understanding what works best online, and why, can be distilled to a set of principles for best practice online investor communications. There are 10 principles to focus on with corporate websites (see right).

Remmeber, it's not just a website. It's the basis of a critical, ongoing investor marketing campaign. Best practice is about improving investors' decision rates, and more investors reaching the buy phase, every day. These are tough tests. But investors have plenty of other choices.

The 10 principles of corporate websites

1. Attract: Draw the right traffic to the site. If potential investors know our name then make sure every variation of the name, ticker code and domain ranks well in a search. Check that the same applies to names of projects, products and senior executives. It's harder to attract relevant investors that do not know us. Regularly review how people arrive and update content to respond to their searches. Every marketing campaign is about beating competitors. Look at how competitors rank on our keywords and beat them. Publish links everywhere, including industry, supplier, partner, broker and other websites, in other online media, in ASX announcements and in shareholder communications.

2. Appeal: Use emotional and irrational appeal with impressions and messages. Design, imagery and style are key for about half of the investors in early phases. Details, facts and numbers come later. Communicate what your company does on the home page within a few seconds. Style should be confident, approachable, knowledgeable and current. Make it better than expected. Have great messages and deliver them well. Have a powerful investment proposition, clearly presented. Use images, videos, infographics, maps and thumbnails to reinforce messages. Include image and video galleries. Also, avoid clichés, corporate speak, motherhood and meaningless trendy icons.

3. Navigate: Investors arrive knowing what they want. The two click rule applies. We have to sell the second click - we're not entitled to it. A scroll down is a click. If the site doesn't deliver here, you risk losing investors.

Navigation is critical, particularly on the top of the home page. Provide a link to every page right there. A "hover over" doesn't count as a click. Don't be cute about navigation. Investors have been to plenty of other sites, and know how to navigate. If we're too different, we lose.

On internal pages, remind them where they are, provide full navigation, accessibility and more. Know which pages are most visited and provide additional ways to direct investors there. Use promo boxes or infographics as navigational buttons. Clear messages will sell the next click, and encourage a decision.

4. Quality: Content needs to be great quality, complete and current. It should be well written, well presented and easy to understand. Don't be too technical or tricky with language. Leave the technical things to a downloadable white paper.

Ensure that ASX announcements are available immediately. Ten minutes later worsens decision rates. Show headline news on the home page. Appeal strongly to the utilitarian, logical mind. Be the authority on all of your company's information, good, bad or indifferent. This invites respect. Provide all of the historical ASX announcements, easily found by type on multiple pages, nicely archived, searchable. Include share price data. Analysts want a download centre. Address specific needs of other target audiences. Fully explain the business. Don't expect investors to trawl through reports.

5. Mobile: A website that does not work on mobile devices is poor for about half the visitors and ranks lower on Google. It must look great on every phone or tablet (landscape or portrait), browser or screen size. Don't compromise as this is not negotiable. Mobile also means fast, without huge downloads. Providing all pages responsively lessens the need for an app.

6. Educate: You are the experts about your industry and your companies. Understand the educational needs of investors and support them. If they choose to learn more, that improves decision rates. Make offline contact easy and be sure to respond.

7. Relate: Blog, tweet, share, like and post. Provide capabilities for visitors to do the same right there using your content. If they are inclined to share, help them. For investors using social media, embed twitter feeds and other posts on the site.

8. Engage: Decisions in later phases require investors to be informed at the right time, immediately the material news is released. Invite registration through whatever touchpoint investors choose and invite feedback. Email alerts are essential, and social media is becoming as important. Make emails responsive.

9. Measure: Not measured is not managed. Measure everything you can. Examine analytics and SEO (search engine optimisation) results. Measure by these principles, question why and respond. Refine messages, navigation, images, style – everything. Then measure again. Compare with peers by the same measures.

10. Maintain: Make it quick and easy to update, using content management tools. Update, messaging, navigation and content as news happens. Institutionalise the process. A website which is hard to maintain will fall behind and investment rates will suffer.