

IR

Research
Report

magazine

IR and multimedia

What multimedia formats do IR practitioners use?

How useful do they find them?

What are the trends in their use?

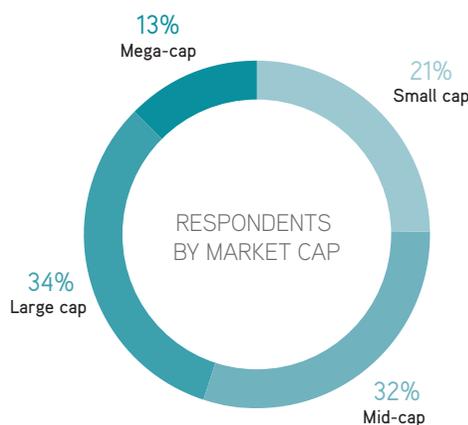
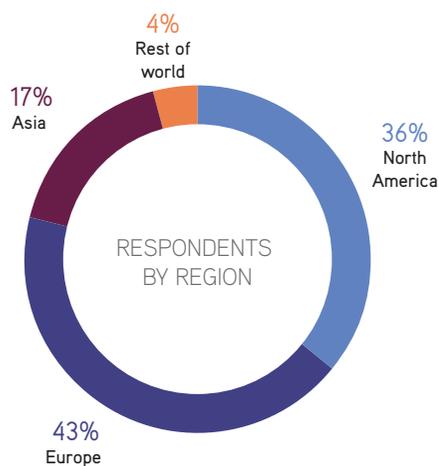
What are the benefits and what are the challenges?

How do investors view IR practitioners' use of multimedia?

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Respondents



Introduction

Multimedia is increasingly used in IR communications as investor relations practitioners look for diverse and innovative ways of informing investors and getting their company message across. Often, multimedia formats can assist IROs in meeting regulatory requirements and improving disclosure practices.

As part of the latest round of the IR Magazine Global Investor Relations Survey, we have conducted a study into the use of multimedia in IR communications. We asked

IR practitioners questions about the forms of multimedia they use and how useful they find them. Further questions were asked about the benefits of different multimedia formats in IR and the common problems faced when using them. We also asked about investor feedback on companies' use of multimedia and whether any action had been taken as a result of said feedback.

This report primarily focuses on the four main multimedia formats used for IR communications: audio webcasts,

video webcasts, corporate video and infographics. It looks at the results of these survey questions, which were answered by a total of 797 respondents, and analyzes the findings globally, by region and according to market cap. For the purposes of this report we define market cap sizes as follows:

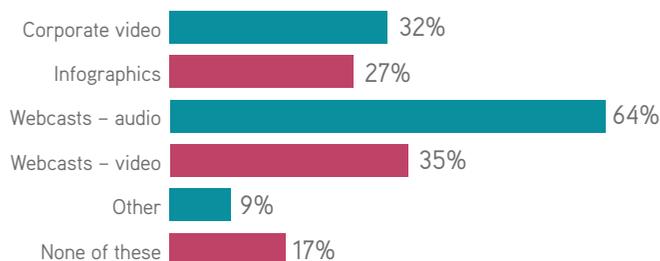
SMALL CAP	<\$1 BN
MID-CAP	\$1 BN-\$5 BN
LARGE CAP	\$5 BN-\$30 BN
MEGA-CAP	>\$30 BN

Key findings

- Audio webcasts are the most used and considered the most useful multimedia format for IR.
- Corporate video and infographics have seen the greatest growth in use over the past three years.
- Webcasts are primarily used for results presentations. Use of corporate video and infographics is more varied, including corporate publishing, presentations and investor events.
- IR practitioners see video as a way of personalizing the company for investors and bringing the company's operations to life.
- Almost a third of IR practitioners have received feedback from investors about their use of multimedia.

Which formats are used?

Which of the following forms of multimedia have you used in your IR communications?



Multimedia is popular among IR practitioners, with 83 percent overall using some form of multimedia in their communications. This number drops to 75 percent among small-cap respondents and to 71 percent in Asia.

Audio webcasts are the most-used form of multimedia for IR communications with nearly two thirds of respondents using them. They are the most popular format across all market cap sizes in both Europe and North America. They are used considerably less in Asia, however,

where they fall behind video webcasts and corporate video.

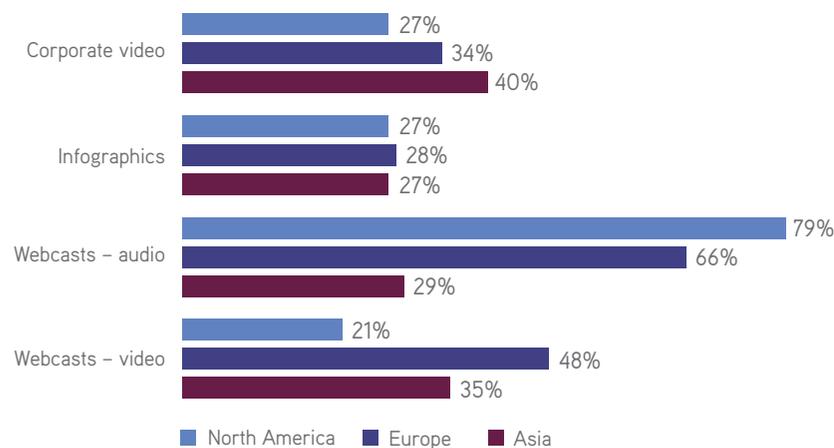
Video webcasts are the second-most used form of multimedia among survey respondents, with more than one third (35 percent) deploying them for IR communications. This is primarily driven by their popularity among European IR practitioners, where they are used by almost half (48 percent). Companies in North America and Asia, as well as small and mid-cap companies, are more likely to use corporate video than video webcasts in

their investor relations communications.

Corporate video is used in IR communications by 32 percent of respondents and infographics are used by 27 percent. This level of use for infographics is more or less constant across all regions and all market cap sizes, while corporate video use varies regionally, peaking at 40 percent in Asia.

Other forms of multimedia specifically mentioned by respondents include animation, podcasts and slide presentations.

Most-used formats, by region



Developing trends in use

Respondents were asked whether their level of use of each of the four main multimedia formats had changed over the past three years. There is a clear net increase across the board, with very few respondents noting a decrease in use in any of the formats.

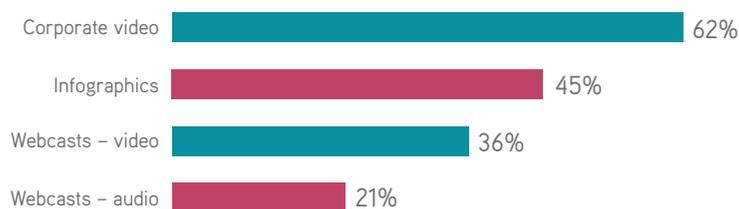
There is, however, a clear difference in the level of increase that each form of

multimedia has experienced, with the two types of webcast experiencing the lowest growth in use. The greatest increase comes in corporate video, where 62 percent of users have increased their level of use over the past three years.

Infographics have also enjoyed a healthy growth spurt over this time frame: of those using infographics, 45 percent have

recorded an increase in their application.

Of the two webcast formats, video has seen greater growth in this period. Just over a third (36 percent) of users have increased their use, while with audio the figure is just over one fifth (21 percent). This may indicate, however, that audio webcasts are the most established format and so have less room for growth in use.



Useful formats

Not only are audio webcasts the most-used form of multimedia, they are also considered the most useful for IR communications by survey respondents: 81 percent of those who use audio webcasts for IR consider them to be either very or extremely useful. This compares with 72 percent for video webcasts and 63 percent for infographics. More than a third (37

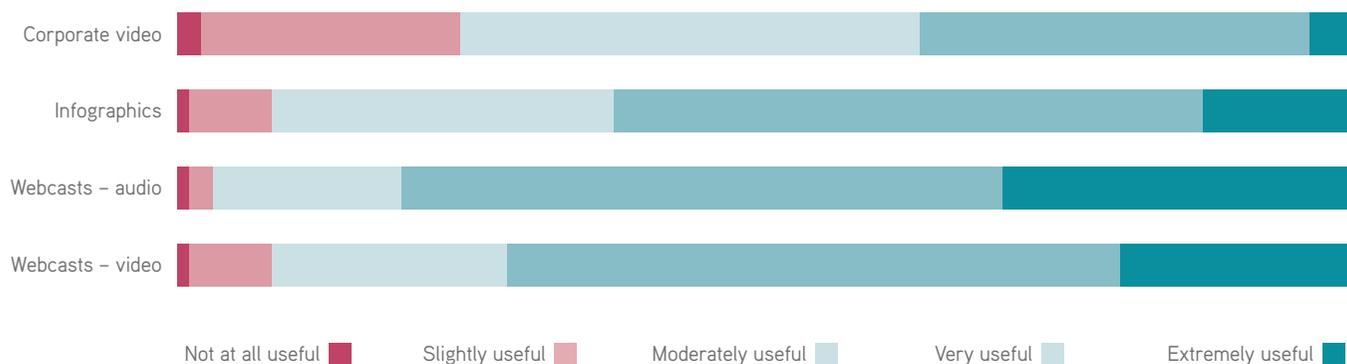
percent) of those who use corporate video for investor relations communications find them useful for this purpose.

Among our survey respondents, 24 percent of users of corporate video for IR communications consider them either only slightly or not at all useful for this purpose. This compares with 8 percent of users of infographics or video webcasts and just

3 percent of audio webcast users. These comparative levels of considered utility are consistent in North America and Europe.

In Asia, however, the situation is different: while corporate video has the same considered level of utility as in the other two regions, in Asia both video webcasts and infographics are thought to be more useful than audio webcasts.

How useful do you find the following forms of multimedia for IR communications?



Corporate video

32 percent of respondents use corporate video for IR communications

Corporate video is the third-most commonly used form of multimedia for IR communications among our survey respondents. Of these, 37 percent consider it very or extremely useful, less than infographics or webcasts. The trend for corporate video is upward, however, with 64 percent of users having increased their level of use of it over the past three years, the highest of all multimedia formats.

While the consideration of how useful corporate video is for IR communications remains fairly constant across all regions and cap sizes, actual use of corporate video for IR varies considerably at a regional level. Just 27 percent of North American IR practitioners use corporate video, a figure that rises to more than a third (34 percent) in Europe. In Asia, 40 percent of respondents use corporate video, making it the most-used

37 percent of people who use corporate video for IR communications find it very or extremely useful

form of multimedia in this region.

Corporate video is used in IR communications in many ways and for a diverse range of purposes. When we asked respondents what they use it for, 17 percent of mentions are for content for their IR website, 15 percent are for use within investor days and 13 percent in results presentations. Other respondents, when answering this question, refer more to the purpose of corporate video – the two key areas being telling the company story and branding/marketing.

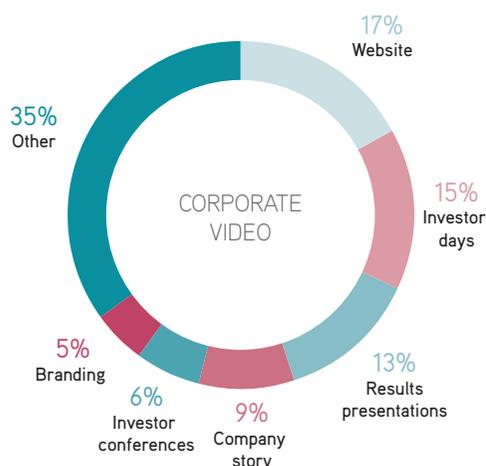
The remaining 35 percent of mentions are split between a whole host of uses, including within annual reports, presentations by senior management, product demonstrations, on roadshows and at investor meetings. That there are so many uses mentioned here represents the

64 percent have seen an increase in the use of corporate video in the past three years

variety of utility seen in the application of corporate video.

The key benefits of corporate video include enhancing branding and providing a concise and effective way of presenting the company story, particularly to new or smaller investors. It is seen as 'humanizing' the company, allowing the personality of senior management to come across. It is also seen as the best way to explain production processes, which is particularly important for manufacturing companies.

The biggest challenges cited in corporate video use are time and cost of production. Other concerns include low interest among analysts and the fact that regular updates are needed or the video can get out of date. Of the respondents who wrote in, 37 percent specifically said they had no problems with corporate video.



Corporate video (cont)

Benefits

'Brings what we do to life, rather than just being a ticker symbol'	US, industrials, mid-cap
'Investors can easily see your operations without you having to take them to the site'	Hong Kong, energy, small cap
'Provides all shareholders with the opportunity to see C-suite officers answer the same questions we get from large institutional investors'	Canada, energy, large cap
'A picture speaks a thousand words...'	Indonesia, communications, mid-cap

Challenges

'Can never balance short video with in-depth understanding'	Thailand, materials, mid-cap
'Turnaround time and last-minute adjustments when prerecorded'	US, financials, large cap
'Sometimes costly to produce, can easily become out of date'	US, industrials, small cap
'Getting management time for recording'	Australia, energy, large cap

Infographics

27 percent of respondents use infographics for IR communications

Of the four main forms of multimedia used for IR communications, infographics are the least used by IR practitioners. Their level of use is consistent across the board, varying by just 1 percentage point regionally and 6 percentage points across cap sizes from the 27 percent global average.

The trend for infographics is, however, positive, with 45 percent of current users increasing usage over the past three years and 63 percent viewing them as very or extremely useful for IR communications.

63 percent of people who use infographics for IR communications find them very or extremely useful

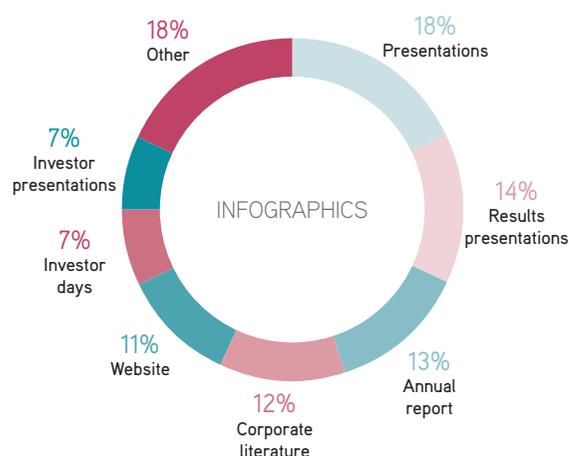
Indeed, infographics are considered nearer in utility to video webcasts (72 percent) than corporate video (37 percent). Regionally, utility levels for infographics range from 42 percent very or extremely useful in North America to 75 percent in Asia. Across cap sizes, the variation for this is from 60 percent at mid-cap to 71 percent at mega-cap.

Unsurprisingly, in IR communications, a common use for infographics is within presentations. Overall, 41 percent of

45 percent have seen an increase in the use of infographics in the past three years

mentions are for use within a presentation of some kind. Results presentations account for 14 percent of mentions, while 7 percent of mentions relate to presentations specifically for investors. But 18 percent of mentions are for presentations in general, indicating that infographics are considered useful by IR practitioners not just for demonstrating financial KPIs, but also for a wider variety of data.

Another popular use for infographics is within corporate publishing, which



accounts for 38 percent of all mentions. Annual reports specifically account for 13 percent of mentions here, while 14 percent of mentions are for other corporate publications such as CSR reports and data slides. The remaining 11 percent of mentions here relate specifically to putting infographics on the IR website.

The key benefit of infographics for

investor relations communications is that they are easy to understand, showing often complex information in a clear and simple manner, and the visual aspect can help investors have a 'more vivid understanding of the figures'.

Among respondents who answered the question regarding challenges in using infographics, 52 percent specifically

wrote in to say they faced no problems.

The issues respondents did mention are that infographics can be too simplistic, particularly for institutional investors, and sometimes can be 'gimmicky'.

Another concern is that they can be time-consuming to create and update, with some respondents finding them difficult to design or to find the right data to represent.

Benefits

'They give information in an easily digestible and memorable format'	US, consumer staples, large cap
'Explains complex information in layman's terms'	Thailand, energy, large cap
'Visual presentation makes it easier to grasp technical concepts'	US, healthcare, small cap
'Almost everything we do in presentations includes an infographic'	Canada, materials, mid-cap

Challenges

'Too simplistic for my audience, which is mainly institutional. Fine for retail holders, I suppose'	Hong Kong, financials, mid-cap
'Does not help to make the message clearer'	Philippines, utilities, large cap
'Need more skills to present'	US, consumer discretionary, large cap
'How to make it clear, precise but at the same time informational'	Hong Kong, industrials, mid-cap

Webcasts – audio

64 percent of respondents use audio webcasts for IR communications

Audio webcasts are the most popular form of multimedia among IR practitioners, in terms of both use and usefulness. This is true in North America and Europe and across all market cap sizes. The notable exception, however, is Asia, where audio webcasts are the third-most used and considered the third-most useful of the four main multimedia formats.

When respondents are asked what they use webcasts for, they invariably answer the question differently from how they answer it for corporate video and infographics usage, where their focus fluctuates between where corporate video and infographics are used (website, presentations) and the purpose of their use (telling company story, displaying financial

81 percent of people who use audio webcasts for IR communications find them very or extremely useful

information). For webcasts, the answers primarily relate to the subject – what the webcast is covering.

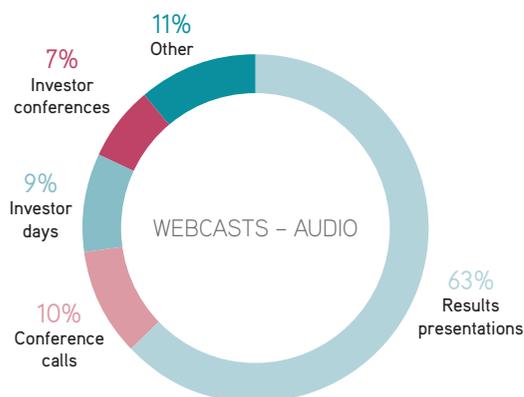
With audio webcasts there is one answer that overwhelmingly stands out: almost two thirds (63 percent) of all mentions of audio webcast use relate to results presentations. The nearest other subject in terms of popularity is conference calls in general, which account for 10 percent of all mentions. This is followed by audio webcasts of investor days (9 percent) and investor conferences (7 percent).

The popularity of audio webcasts for earnings calls lies in their utility in providing fair disclosure for material company information. This is particularly the case in the US, where Regulation Fair Disclosure

21 percent have seen an increase in audio webcast use in the past three years

sets out specific rules against selective disclosure and audio webcasts are the most efficient way 'to reach all investors simultaneously and be Reg FD-compliant'.

A key benefit of audio webcasts is their simplicity. They are easy to set up and they are user-friendly, allowing companies to reach a broad range of stakeholders with the minimum of fuss. The only notable challenge mentioned by respondents in using audio webcasts is achieving good sound quality, but a remarkable 62 percent of respondents who answered the question about the common challenges they face with audio specifically say they have experienced no such problems.



Benefits

'Can reach all investors simultaneously and be Reg FD-compliant'	US, utilities, large cap
'Increases accessibility for some investors based in different locations and time zones'	Hong Kong, consumer discretionary, mid-cap
'Extends IR message beyond confines of press release and makes management discussion available to a wider audience and for a longer period'	Canada, materials, mid-cap
'Many can listen live without bandwidth problems'	Germany, materials, large cap
'Cheap means to get message across to a broader audience'	Belgium, technology, small cap

Challenges

'English is not my CEO's native language, so sometimes he is difficult to understand'	US, technology, small cap
'Firewalls in investor IT systems'	UK, healthcare, mega-cap
'Lacks visual aid; it's sometimes difficult to understand the question in words'	Hong Kong, industrials, mid-cap
'Quality of the sound, which is variable'	France, financials, large cap

Webcasts – video

35 percent of respondents use video webcasts for IR communications

The second-most common form of multimedia is video webcasts, although smaller companies are more likely to use corporate video for IR communications, as are companies in North America and Asia. The popularity of video webcasts among IR practitioners is greatest among larger and European companies.

Video webcasts are also the second-most popular form of multimedia in terms of

72 percent of people who use video webcasts for IR communications find them very or extremely useful

perceived usefulness. Regionally, the percentage of respondents who find video webcasts either very or extremely useful for IR ranges from 62 percent in North America to 78 percent in Asia. According to company size, utility satisfaction rises incrementally from 65 percent at small caps to 77 percent at mega-caps.

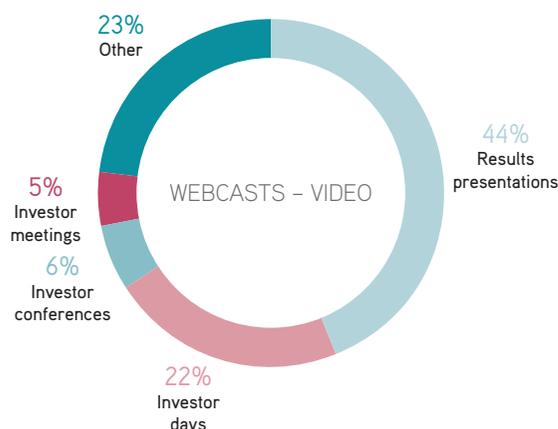
When asked what video webcasts are used for in IR, 44 percent of respondent

36 percent have seen an increase in video webcast use in the past three years

mentions relate to results presentations. Although this is a considerable figure, it is some way less than the share of mentions for audio webcasts' results presentations use (63 percent). This shows there is more diversity in the use of video webcasts than there is with audio.

A sizable number of mentions go to use of video webcasts for investor days (22 percent). This is 13 percentage points

Webcasts – video (cont)



greater than the 9 percent share given to investor days with audio webcasts. A further 6 percent and 5 percent of mentions go to investor conferences and investor meetings, respectively.

Like audio webcasts, video webcasts are seen as providing equal access and fair

disclosure for investors by reaching a large audience, albeit using a more technical and expensive format. They are also seen as a more personal medium, however, and able to provide a better 'feel for management'. Because of this they can be seen as reducing the need for non-deal roadshows

and investor conference attendance.

Among the respondents who answered about challenges in using video webcasts, 35 percent say they faced no problems. Those who *do* mention concerns cite cost, bandwidth issues and the format being more complex to set up than audio webcasts.

Benefits

'Communicates body language as well as spoken word'	UK, technology, large cap
'Ensures all investors have equal access to management presentation and Q&A'	Singapore, financials, mid-cap
'Has a more personal touch than written or spoken information'	Germany, technology, small cap
'More effective than a conference call as participants are less distracted'	US, consumer staples, large cap
'Sometimes it's expensive to travel, so video webcasts help reduce costs'	Brazil, utilities, small cap

Challenges

'CEO and CFO are live and on record: what could possibly go wrong?'	UK, technology, large cap
'Cost and quality of transmission'	UK, healthcare, large cap
'Need more time to prepare'	Hong Kong, industrials, mid-cap
'Audience cannot always receive video'	US, consumer discretionary, mid-cap

Other multimedia

When asked to comment on other forms of multimedia they use, the two most common forms mentioned by respondents are animation and podcasts. Both are considered moderately to very useful. The benefit of animation is that such a visual tool is an efficient way to demonstrate key points, though there is concern it might be seen as trivializing matters. The benefits and problems of podcasts are the same as audio webcasts: they are cheap and easy to produce, with the only issue being sound quality.

Investor feedback

Globally, 31 percent of respondents have received feedback from investors about their use of multimedia. Of those, 43 percent have made changes to their use of multimedia as a result of investor suggestions. This is more heightened in Asia, where investor feedback has been received by 36 percent of respondents, 62

percent of whom have subsequently made changes to their multimedia use.

Investor feedback on multimedia is generally positive and there is encouragement for the further use of webcasts. But there is a clearer demand for audio than video webcasts, as these are more accessible and meet investors' needs.

Several respondents have switched away from video webcasts to audio as a result of investor feedback, as indicated by this respondent's comment: 'We discontinued video webcasts and now do audio-only for quarterly earnings calls. When we polled our investors, they said video was 'nice to have' but not necessary.'

Received feedback from investment community



Made changes as a result of feedback



Innovations

When asked: what is your favorite multimedia innovation for use in IR communications?, 10 percent of respondents mention audio webcasts and 7 percent mention video webcasts. But a further 9 percent say webcasts in general and 5 percent say just 'video', which could refer to either video webcasts or corporate video. From this we can infer that audio and video webcasts are equally popular

with IROs as innovations in multimedia. So why is it that audio leads video in both use and perceived usefulness?

The answer may lie in the difference between the aspirations of IROs and the expectations of others. Audio is commonly used and seen as very useful because it fulfills the requirements of both the regulators and the investors. While investors view video as 'nice to have'

they do not see it as necessary for their information needs.

IROs themselves see greater potential for video, however. They see it as providing companies with a more personal connection with the investment community and therefore potentially reducing the need for investor events such as roadshows and investor conferences.

Sponsor's statement

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