

# Firms slow to use social media to engage investors

**Survey shows only 4% of 91 SGX companies use it frequently for communications**

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DESPITE the regular use of social media to disseminate news and keep the public informed, only 4 per cent of 91 SGX-listed companies surveyed frequently tap social media as a means to engage investors, a survey by the Investor Relations Professionals Association Singapore (IRPAS) and Singapore Management University (SMU) shows.

In addition, 87 per cent of the respondents either rarely or never use social media to engage investors.

But investor relations (IR) is gaining importance in listed companies. A vast majority (94 per cent) of large and mid-cap companies have a dedicated investment relations (IR) office or officer responsible for the IR function.

The survey was conducted to better understand the role of investor relations in modern corporations.

Hosted by IRPAS and SMU, and supported by the Singapore Exchange (SGX),



**Social media can help:** *Mr Woo said 'in an increasingly competitive business environment where investors are faced with multiple investment options, effective and timely communication is crucial to an organisation's reputation and valuation'.*

the inaugural Investor Relations (IR) Roundtable was held yesterday. A high-level panel of professionals from the investor relations, academic and investment communities discussed the results of the survey as well as shared their insights on IR best practices.

The survey found that the main challenge faced by investor relations officers (IROs) was communicating with institutional shareholders.

"In an increasingly competitive business environment where investors are faced with multiple invest-

ment options, effective and timely communication is crucial to an organisation's reputation and valuation," noted Harold Woo, president of IRPAS. "(Social media) is an emerging trend, but it's something that's new to corporations."

"It's good to monitor dia-

logue to see what people are talking about. But on social media, they expect instant response, and corporations have to be mindful about disclosure: Social media can go viral; once something is said, it's very hard to retract."

IRPAS was established in 2006 as the professional body for IR practitioners in Singapore. It aims to champion IR best practices, enhance the professional competencies of IROs and elevate the overall standard of the IR profession in Singapore.

The organisation offers programmes such as the Certificate in Investor Relations, training courses and opportunities for the IR community to meet and share best practices to equip IROs with the expertise and network to thrive in today's fast-changing environment.

Said SGX CEO Magnus Böcker: "A well-executed investor relations programme ensures that companies are better positioned to compete for the attention of investors both in Singapore and globally."

"I think there's no one-size-fits-all," Mr Woo said of the different IR practices of various firms.