Beyond the Box: The Power of a Holistic Online IR Strategy

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Introduction

Over the past decade, IR websites have become increasingly robust, full-featured and completely commoditized.

Several quality vendors provide "IR websites in-a-box" that allow a busy Investor Relations Officer (IRO) or Chief Financial Officer (CFO) to quickly stand up a shiny, new IR section to their website that mimics the skin of the existing site and largely automates most key IR content including SEC filings, press releases, stock performance, financial ratios, analyst estimates and conference calls. Often the cost of these sites will be wholly subsidized by the listing stock exchange or ADR bank.

Although extremely convenient, the prefab IR website approach tends to short circuit any truly strategic thinking about the company's overall online investor relations strategy. While some companies give significant thought to how their online presence supports overall brand message, business strategy and investor relations goals, the IR website has become largely compartmentalized and remarkably generic. Most IR websites today achieve the benchmark of "good enough," while relatively few aspire to excellence.

We believe that this represents a significantly missed opportunity.

Through a relatively modest amount of effort and small incremental expense, public companies can develop and deploy a holistic online IR strategy that can support a differentiated investor brand for the company and senior management, better leverage the time and efforts of CEOs, CFOs and IROs, and significantly enrich the user experience.

So what are the key elements a company needs to consider to develop and deploy an integrated online strategy for IR? To tap into the power of an integrated approach to online IR, the company must begin by asking a few simple questions.

What is your message?

The essence of a website is communication – technology is merely the means to enhance the convenience and impact of delivering your message.

Communication over the web moves at a different pace than someone leafing through your annual report or scanning your 10-K filing. Online investors are hungry for data, quick to make judgments and incredibly impatient.

Studies show that you have less than five seconds to capture the attention of a typical internet user. Look at your website's homepage and count it out. 1-2-3-4-5.[1]

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[1] To be accurate in your assessment, the clock starts ticking when you hit enter. Try it from a computer that has never visited your website (free of cache) from each coast of the U.S., Europe and Asia.

In that brief span of time, the viewer will draw conclusions on questions about:

- What does this company do?
- What makes it unique?
- Are they trustworthy?
- Are they professional?
- Would I trust them with my money?

Fair or not, people on the web make snap judgments based on a whole range of visual, verbal and kinesthetic cues and impressions.[2] And if they start to feel uncomfortable, bored or confused, they bounce – clicking away from your site, and very unlikely ever to return.

That's why "bounce rate" is such a critical metric when thinking about your online investor strategy. If a high percentage of visitors are bouncing off your home page or your IR page, that means all the efforts that you made to get them to find your company in the first place – road shows, media interviews, analyst coverage, outstanding financial metrics – all of it was just wasted.

Once they bounce your chances of converting that visitor into a customer or a shareholder are virtually nil.

Who is your audience?

The very first question to ask when formulating an online strategy is: "Who is you audience?"

"Easy," most executives might reply. "Our website needs to serve our customers, employees, potential employees, investors, strategic partners, regulators and the media."

Fine, but you haven't really answered the question, since your website can't possibly serve all of those different constituencies equally well. Strategy is about making choices. What you really should be asking is: "Where does our website create business value? Which of these stakeholders are most critical for our company to survive and thrive?"

The answer will be completely different depending on what industry you are in.

For a consumer e-commerce site like Amazon or eBay, 99% of their website's value lies in the consumer experience. These companies invest enormous amounts of thought and resources to make sure that they maximize the lifetime revenue contribution of every single visitor to their site. That consumer experience will determine the success of their business, which in turn will determine the success of everything else. If they don't move their visitors from impulse to purchase with the maximum efficiency, these businesses will not be around very long.

That is why the investor relations sections of e-commerce websites are typically buried in the small print of a footer as "Corporate Info" or "Investors" at the bottom of the page.

On the other extreme, for a life sciences company that is going into Phase III clinical trials, investors might constitute 90% of the value of its website. The FDA will not permit the company to market its drug to patients prior to obtaining approval. The management has limited control of the success of the clinical trials and the ultimate approval of the drug.

[2] As an extreme example of how accurate these snap judgments can be, a study done by Princeton University established that potential voters could "pick winners" in electoral races with 70 percent accuracy without knowing anything about the candidates or the issues simply by briefly glancing at pictures of the two candidates' faces. Sometimes it pays to be superficial.

But these companies know with certainty that they will need to do one or two more rounds of raising capital before they can commercialize their intellectual property. If they are not able to access the capital markets, or if they have to raise money at ruinous valuations, it is game over for the shareholders. No matter how good the science may be, they will be wiped out.

Thus a pre-approval life sciences company had better have an online presence that is absolutely tuned to the needs of investors. Everything else is a “nice to have,” not a “need to have.”

Got your attention yet?

The opportunity to capture investors’ attention is measured in seconds, but the opportunity to alienate them can happen in milliseconds. According to Harry Shum, a computer scientist and speed specialist at Microsoft, 250 milliseconds is a meaningful competitive advantage

Sites that grab and hold our attention have:

- Crystal clear and compelling messaging
- Visuals that support a clear brand position
- Flawless loading and responsive formatting
- Intuitive navigation to find the information that a visitor wants fast, without even thinking about it

If investors constitute a significant part of the business value of a company’s website, then the investment thesis – the very basic statement as to why an investor should consider allocating capital to this company’s equity or debt – needs to literally leap off the home page.

This does not mean that your website needs to be “promotional” – far from it. Promotional websites scream of desperation and will make an even slightly sophisticated investor run for the hills.

But your website does need to convey the essence of what your company is about – be that your technology, your approach to your customers, your business efficiency, your fiscal prudence, your killer management team, your life changing therapy.

Whatever makes up the DNA of your company and creates competitive advantage needs to clearly shine through in those first few seconds of a visitor’s experience of your website, and by extension, of your company.

Investing time here will set the whole structure and tone for the rest of your website, and is the key to an integrated approach to online IR.

OK, now you lost me…

So flipping this question around, what causes people to bounce?

Interestingly, subconscious factors are often more powerful in driving people away from a website than rational analysis of what’s on the screen. Feelings, even more than thinking, will drive those snap judgments.

How do you feel when a website takes a long time to load? Let’s count again, 1-2-3-4-5-6-7.

After just half a second, 500 milliseconds, most people will experience an interruption in their thought process that will feel vaguely unsettling. When Marissa Mayer (now CEO of Yahoo!) was at Google she ran a study showing that by slowing page loading speed by just 500 milliseconds they lost 20% of their revenue. Still doubt that internet time moves fast?

After two seconds, some people will start hitting refresh on their browser or clicking back to find a faster site. After seven seconds, 90% of your viewers will be lost forever. They will be irritable, uncomfortable, and carry a lasting negative impression of your site, and more importantly of your company.

How do you feel if it takes you more than two or three seconds to figure out where to click to find the information you need? Do you enjoy moussing around on small type at the bottom of a page? Are you going to come back to this site in the future?

How do you feel when a webpage formats strangely on your browser? Do you even know? Let's say you see distorted images, weird borders, missing information. Do you trust this company? Do you want to enter into a business relationship? Of course you don't. You want to run.

How do you feel when a website starts blasting flash animation at you that you can't control and ties up your browser and keeps you away from the information you are seeking? Or worse yet starts auto executing a video or audio file that sets off security warnings. Do you feel well treated? Do you feel in control?

What if you are on an Apple iOS product and a message pops up saying that the plugin is not supported on your device? Do you feel the love? And if your computer starts flashing all kinds of warnings about unauthorized content and add-ins that might be malicious – do you really want to hang around this disaster zone?

How do you feel when you click on a URL and a message pops up saying "site not available?" Do you feel comfortable with the competence and professionalism of this management team? Are you more or less likely to entrust your savings to them?

As this exercise should make clear, great websites remove every possible obstacle between the viewer and the information they are seeking.

- Great websites load lightning fast from any location around the world at any hour of the day.
- Great websites format consistently on any popular browser being used today.
- Great websites provide total user control of the browsing experience and never thrust unwanted graphics or media down the visitor's throat.
- Great websites make it exceedingly simple to find the information you want quickly and have it loaded in every spot a user would logically search for it.
- And great websites never, ever, ever goes down.

Great websites never interrupt the flow of your thoughts, never jack up your anxiety, and never send you searching for a needle in a haystack.

Typical bounce rates are over 50%, simply because most companies don't bother to monitor bounce rates or make any systematic effort to improve them.

Think about that for a second. If you knew that you would alienate 50% of the institutional accounts that you visited on a non-deal road show by not wearing a suit, would you still insist on dressing in jeans?

The answer is obvious. And yet you are probably losing half of your potential online investors right now before you even got a chance to say hello.

Let's get into the nitty-gritty

There is a lot of sophisticated technology that goes into having a great online user experience. But a great website is not about flashy technology or dazzling graphics. It's about what visitors think and feel as they navigate your site.

It's about getting visitors where they want to go as quickly and efficiently as possible. It's about transmitting subtle but very powerful messages that your company has a clear mission, a consistent brand identity, and a great business model. It's about signaling that you know what you're doing, you can be trusted to perform, and that you care about your customers and your shareholders.

For example:

- A great site will be built using anycast routing to your domain name system (DNS), will have multiple dynamic server locations across the globe, and will use a static content distribution network.
- A great site will be on a global network that is constantly load balanced and optimized by dynamically allocating resources based on changing traffic demand.
- A great site will be coded so as to group javascript and images along with caching at the browser level to reduce load time.
- A great site will be built to load flawlessly on the 28 different versions of the five different popular browsers that are used by 99% of the world's internet population.
- A great site will be built to have 99.999% uptime, or "five nines."

Why will it be built this way? Is it because the technology sounds impressive?

Of course not. Your website visitor could care less about what technology your website is built on. All she cares about is that when she steps into that car it starts up, drives fast, and takes her safely to her destination.

A great website is built this way because it is the only way to make sure that web pages will snap open for any investor at any location around the world. It's built this way because it's the only way to know for sure that the site will load and format properly for anyone who views it. Because a great site will ensure that investors don't get frustrated, don't get disappointed, and most of all don't bounce before they have enough information to make your desired decision.

How mobile are you?

Just in case you have been asleep for the past five years, we have a newsflash. The world is going mobile. 2012 was the year that suddenly every portfolio manager started toting his iPad into meet with management. If you bring a laptop to a meeting these days it practically screams "junior analyst."

2013 is the year that the $45 smart phone hit the streets in Shanghai. According to IDC, 918 million smart phones will ship globally this year. By 2017 that number goes to 1.5 billion.

Mary Meeker, head of Morgan Stanley's technology team, has said the mobile web will be bigger than the desktop internet by 2015, with 2.9 billion people connecting to the internet via smartphones and tablets. According to our data, as much as 40% of visitors to public company websites are already getting there via mobile devices.

So should mobile compatibility and usability be an afterthought? Sure, if you don't mind mistreating and probably losing half of your potential audience.

In fact, your website needs to be designed with several resolution and formatting "breaks" so that it will show well and be easily navigated on a high resolution, large monitor, a standard monitor, tablets and a whole range of smart phones.

Most people think that what they see on their monitor or device is the same for everyone - this couldn't be farther from the truth. Over 90% of desktop visitors have a screen resolution of greater than 1024 X 768 yet less than 10% of public company websites are built to accommodate the higher resolution of these sharp screens. Your site needs to be smart enough to automatically detect and tune its resolution to how each viewer is accessing it.

You don't want a fuzzy, "smart-phone-friendly" site popping up on a trader's big screen. But you also don't want your iPhone user squinting and stabbing fat fingers at a screen that can't possibly fit on a scant square inches.

And about those IR mobile apps…

How about those IR mobile apps?

While the IR mobile app might seem like just the latest trendy idea to penetrate the boardroom, the smartphone/tablet app is a powerful technology platform and fundamental change in user behavior that is just not going away.

While the IR mobile app is still in its infancy, here are a few facts to chew on.

- Nestle had 14,000 downloads of their IR mobile app within six months of launch.
- The IR mobile app provides a one-to-one relationship between the company and the person following the company, unlike a website that provides a one-to-many relationship.
- An app can provide instantaneous dissemination of material information, with a press release or SEC filing delivered to millions of mobile devices at the exact same time and pinging to the top of the phone with a push notification, as opposed to emails that often have minutes of delay as they sequentially churn out and traverse the vagaries of the World Wide Web.
- An app can be preset by the shareholder to ping alerts when the share price moves beyond a pre-set percentage change or when trading volume surges.
- Apps are extremely well adapted to online polling and can also be used for highly secure proxy voting.
- The user of the IR mobile app is always registered for your quarterly conference call and can receive automated alerts a week, a day and 15 minutes before call start time – or as the call is starting and then just push one button to tune into the call

With all this said, it makes absolutely no sense to build an IR mobile app as a separate system that is divorced from the IR website and requires separate loading of information, push for distribution, updating of events, etc.

When you think about it, a standalone IR mobile app is completely nonsensical. You double the work, double the mistakes, and sacrifice all the power of an integrated online IR strategy. Remind us again why you would want to do that?

Are you sticky?

Now is probably the time to talk about "stickiness," a frequently misunderstood term in website design and analytics.

Just because investors spend a lot of time lolling around on your site is not necessarily a mark of greatness. Yes, they could be there because of all that splendid content your IR officer put up, because your business is incredibly fascinating, and because the management team is just so much fun to hang around. That's possible.

But they might also be there longer because it is taking them a long time to hunt and peck though dozens of pages to find the basic information that they were looking for, or because they can't figure out how to sign up for your webcast, or because they have to cut and paste a lot of information out of HTML files.

By using analytics we can get a far more precise picture as to where investors are spending time and why. Is this "good sticky" or "bad sticky?" After all the goal of online IR is to serve our investors up with the information they need, in a form they can use, and leave them so pleased with the experience that they will be coming back for more.

In fact the acid test of stickiness is how often an investor returns to your site in the future "the real sticky". Have you turned that visitor into a repeat customer by providing great service, compelling content and absolutely flawless information? Are you on the path to converting her from an interested party to a shareholder, or from a small holder to a larger holder? Or did you alienate her, frustrate her, and cause her to look for another company to invest in?

In the end, it's all about conversion rates. It's all about closing.

Are you socially awkward?

There has probably been more nonsense written about IR and social media than any other topic in the field of investor relations.

IROs have been told that they simply must have a social media strategy if they wish to remain relevant and that if they don't go social they will be swept away by a wave technological innovation. Some eager companies have rushed forward to launch an IR-focused presence on Facebook, twitter, LinkedIn, Google+. Generally they start out with a few bold tweets about their embrace of social media and then a few months go by and the only thing they have tweeted is links to their press releases.

This is not to deny that social media is deeply transformational.

Social media has transformed how people connect with their friends, form and share their opinions, organize political movements, discover new medical treatments, consume news, adore celebrities, share recipes, spy on their kids, end romantic relationships, and on and on. One of the few fields of human activity that has not been materially impacted by social media is how people buy and sell stocks.

Oh, yes, we know you will say: "But what about StockTwits?"

StockTwits claims to have 400,000 registered users. How many of them are active accounts using the service at least once a month? No one is saying. Spend a few hours actually scrolling through the sparkling insights that are typically shared on StockTwits and then let us know if you still believe this represents a paradigm shift in how investors trade stocks.

To be fair, portals like Seeking Alpha (5 million unique visitors a month), while not precisely social media, do rely on user-generated, lightly edited content and can be hugely influential in moving stocks, particularly for controversial and lightly traded names. In fact a whole sub-industry of micro-cap investor relations has sprung up around trying to covertly place disguised promotion pieces on the Seeking Alpha platform to leverage the visibility that it engenders on Yahoo! Finance, Google Finance, MarketWatch, CNBC and other portals.

To decide if your company should have a meaningful IR social media strategy, you need to first ask: "How good of a fit is my story for what really works well in social media?'

Does your company have a breakthrough treatment for a disease state that effects millions of people and that patients and their families are passionate about? Then you should absolutely have a social media strategy. Make it as easy as possible to for these passionate evangelists to connect on Facebook and Google+, follow and retweet you on twitter, and share rich media on YouTube and SlideShare.

Do you have a highly opinionated and entertaining CEO? Then absolutely expand her platform and personal brand through a regular stream of insights on twitter and YouTube. It can only help the stock. (Though you might want to provide a refresher course on Reg FD every few months and take away the iPhone when she's had a few too many drinks at a conference.)

Do you have a paradigm-changing technology that will change how people communicate and work? Then you sure want to leverage SlideShare, twitter and YouTube to reach the broadest possible audience of analysts, customers and investors with engaging material that showcases your expertise.

But if you are a plain-vanilla widget manufacturer with a low profile CEO whose main interest in social media is figuring out what in the world his daughter is sending out on Snapchat – well, maybe you don't want to make that big presentation to the board on "Our New Social Media-based IR Strategy" after all. (But if you insist, here's our whitepaper.)

High impact social media is ultimately about great content that aligns with themes, ideas, and personalities that get the social media masses excited. If your company has those attributes, then absolutely you should think about a comprehensive social media strategy that includes IR. If not, you are probably better off investing that time and energy somewhere else.

What you want to do, at a minimum, is to use social media as one more channel that you can push out press releases, presentations, disclosure filings, and conference calls on a fully automated basis that is integrated with the platform you use to run your website. In other words, set it and forget it.

Are you a glutton for punishment?

Of course, some people don't like convenience.

Are you one of those people who enjoys double- and triple-checking every document? Does busywork and duplicated effort light your fire? If so, you certainly don't want to use a powerful content management system (CMS).

If, however, you are one of the vast majority of human beings who prefer to reduce tedium in the workplace and minimize the possibilities for mistakes, then you will love what a sophisticated CMS platform will do for your life.

With the right CMS you can:

- Add or update a document once and have it instantly publish to multiple places on your site where investors would expect to find it
- Add and take down new sections of you site with a click of the mouse
- Automatically upload high resolution video three resolutions and auto detect the bandwidth available to the user so as to serve up the optimal visitor experience
- Store incremental backups so that your website can be restored to any date in time in order to provide solid defense in the event of regulatory or civil inquiries
- Automated news alerts that enable visitors to sign up and unsubscribe for various categories of information in a single, unified database in a way that complies with CAN-SPAM email distribution requirements
- Automate absolutely everything that can possibly be automated while also permitting manual override when required

Less work, more accurate information, maximum compliance – most people would call that a good thing.

Be the fat needle everybody finds

Finding a stock online, especially if an investor does not already know the company's name, could seem like searching for the proverbial "needle in a haystack."

But fortunately information on the internet is structured by something called search. And if you understand search well it is possible to improve the odds that an investor will find you by several orders of magnitude.

Search engine optimization (SEO) refers to the discipline of making it as easy as possible for investors to find you online. Organic search (think the center left of the Google page, as opposed to the paid search ads on the right hand column) is by far the most powerful placement, since most web users are reluctant to click on paid search "ads."

According to one study, 53% of organic search clicks go to the website that appears at the top of the page. This drops off to 15% for second place rank, 9% for the third ranked site, and 6% for the third. If you are not on the first page of organic search results, you effectively cease to exist in internet terms.

This is why consumer and media companies can spend millions of dollars to achieve the top-ranked position in high-value search terms. For many companies, organic search has the highest ROI of any form of "advertising" or marketing.

So how is SEO relevant to public companies in the context of IR?

The goal of an SEO strategy is first of all to make it as easy as possible for investors who are aware of your company to find you as easily as possible. Amazingly, there are a very large number of public companies that do not come up first when you type the company name or stock ticker in Google.

More broadly, if your company is in a specialized sector like "cancer vaccines" or "thin-film solar" or "mortgage REIT" you want to rank at or near the top of that category so that an investor who is doing research online is highly likely to come across your company and eventually make an investment in your equity.

Becoming a top-ranked site in a category that is competitive will take sustained effort over a period of time. Once you have your site fully tuned from a technical perspective, the number one spot will ultimately go to the site that has the best content. The more popular the site is with other sites, the higher your company will score on PageRank, and the higher the PageRank the higher you place in the search results.

Some of the primary considerations in developing an effective SEO strategy include:

- What are the keywords that will generate maximum number of visitors and the greatest value for your business?
- How much traffic is generated globally from a specific keyword or keyword phrase?
- Should you focus on the competitive high-traffic, short-tail key words, or are you better off focusing on less competitive keywords that will provide you with a long tail on the visitors that do find you?
- What is the most critical content to have on your landing page and what content and links are going to provide you with the highest convert rate deeper into the site?
- What questions are investors likely to type into a search box that could or should lead them to your site?

A good SEO strategy will also include informed competitive analysis of other companies and other sites vying for those investors' attention:

- What is the PageRank[3] of the company with the top organic placement in that category?
- How many backlinks do the top sites have?
- Are the top sites properly coded with meta tags, page titles, URL structure, h1 and h2 tags so as to maximize their chances of winning the organic search competition?
- On site is there keyword anchor text linking from page to page
- Another words, how difficult will it be to displace the top results?

Given the stakes involved in winning the top place, search is an unending arms race in which Google and other search engines constantly tweak their algorithms to foil sites that try to game the system and SEO strategists find new technical tricks to provide their site with a slight edge to help win the coveted top spot.[4]

The larger number and more relevant the other websites that backlink to your website, the more popular Google considers your website to be. In the endless campaign for search dominance, think of backlinks as endorsements from the big names of the web that are most relevant to your category. But don't try to cheat your way to the top. Google's search algorithm is so sophisticated that if you buy backlinks to try to boost your score, or if your keyword anchor text in your backlinks is too dense, Google will know and will discount your backlinks or penalize your website.

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[3] The pagerank of every page on a company website is critical to search engine performance. Google pagerank categorizes every site on the quantity and quality of their backlinks from the highest possible score of 10/10 to the lowest score 0/10. Pagerank is an important factor in how well a particular web page ranks within the Google search results.

[4] As with so many things, search is different in China. China's number one search engine Baidu, with 78.6% share of all Chinese search, does not clearly discern between paid and organic search. So if you want access to those 1.34 billion consumers, be prepared to open your wallet. Oh, yeah, and the government is always watching everything that happens online, so please behave yourself.

Everything matters in search: website code, page loading speed, page indexing, backlinks, and especially content. The content that a visitor finds when they arrive at your site off a keyword search needs to deliver on that promise by being relevant, informative, concise and well-written. There really are no shortcuts to great website copy.

And let's not forget about content…

In the quest for online dominance, ultimately great content always wins.

It is almost impossible to control the accuracy of all the information that is published about your company in thousands of websites and databases around the world. But you can certainly control the accuracy of your own site.

Every public company needs to commit to ensuring that the content of its website is the single most accurate and comprehensive repository of relevant information on your company. No exceptions, no excuses.

Every IR website needs to provide fast, intuitive access to the basic information investors will be looking for, including: SEC filings, press releases, investor presentations, financials, webcasts, an IR calendar, management and director bios, stock quotes, stock charts, board committee composition, committee charters, ethics policy, frequently asked questions (FAQs), covering analysts, and IR contacts. Making this information as complete and easy to find as possible will dramatically reduce the amount of time needed for low-value interactions with your shareholders.

But great websites will also provide additional content that adds value to investors' experience of your website and causes them to return again and again to your IR section:

- Webcast investor presentations that allow small funds and retail investors to get the same access to information that the large funds enjoy at investment bank sponsored investor conferences.
- Virtual conferences that give all interested investors the opportunity to directly interact with the management.
- A video message from the CEO that enables top management to deliver the company's message in a forceful and direct way to current and prospective shareholders.
- Videos and slide presentations that delve into the company's products, services, technology and business model in a manner that deepens investors understanding.
- Non-GAAP financials that can be easily downloaded and incorporated into an analyst's model.
- A permanent URL and dedicated phone number for all investor conference calls and events, so that investors don't need to go searching for new numbers every single quarter.
- A unified database that drives email alerts, webcasting, and teleconferencing.
- An investor calendar that is actually updated with all the relevant upcoming and past events, accessible via webcast wherever possible.

Look at what kind of content the very best companies in your industry are providing to investors and then take that as a challenge to take it to the next level.

Let's get analytical

For people who spend an awful lot of time focused on financial analysis, most IROs pay almost no attention to analyzing the key performance metrics of their online IR presence.

Building and maintaining a great website means paying close attention to website analytics and regularly developing strategies to improve your site's performance and overall investor satisfaction. By analyzing visitor analytics using a "heat map" of how visitors actually interact with your website, companies can dramatically improve their most important metrics, including:

- How are visitors getting to your website? Are they typing your URL into the browser? Are they searching for your name?
- What keywords are they finding you through searches, and what page does that lead them to?
- Does the content on the page relate to the keyword that brought them to your site or are they bouncing?
- Where are visitors going on your website? What are the most viewed pages? What page do visitors most frequently exit?
- What is the referring URL? Did they click on a link in a press release or in an email?
- What screen resolution are they using? What browser and version are they using? Are they using a mobile device, tablet or desktop?
- Where is their mouse moving and clicking?

By applying sophisticated analytics to the browsing histories of hundreds and thousands of visitors it is possible to quickly identify what elements of the online experience are working well and what parts need to be rethought or improved. Ultimately, you want to be able to quantify all of the key metrics that define value for your company, including:

- Search ranking
- Bounce rate
- Page views
- Entrance page
- Pages viewed
- Next page from entrance
- Exit page
- Conversion rate
- Investor acquisition cost

In addition, your website should have compelling offers that encourage investors to provide you with information about themselves, participate in surveys, and generally help your company to improve the online experience and understand your investor base.

It is very important that your IR website be built on a unified CRM database so that when investors want to sign up for email alerts, subscribe to social media, sign up for webcasts and conference calls it is all in a single database that instantaneously recognizes them and is already populated with their vital information. There is nothing more tedious than having to fill out the same information multiple times. And yet over 90% of public companies still run their email alerts, webcasts, and conference calls on disparate databases that simply cannot recognize a return customer.

The next frontier of online analytics will be to recognize key investors every time they visit your site, track their viewing patterns and then apply predictive analytics to identify probable buyers and sellers of the stock. Still think the internet is anonymous? If you understand web analytics it doesn't have to be.

Coffee is for closers

In the immortal words of Alex Baldwin (ok, really David Mamet), "Coffee is for closers."

After the annual merry-go-round of conferences, road shows, one-on-ones, earnings calls, analyst days, and other endless investor folderol a smart CEO will ask the question: “OK, how many of these people we met over the past twelve months are actually shareholders today? What difference did all this meeting and flying and talking actually make to our investor composition, liquidity and valuation?”

Or in other words, “Did we close?”

The raw essence of all business activity is sales. And the bottom line of sales is closing.

In the online world, we call that conversion. Your conversion rate describes the proportion of casual visitors to your website who take action as a result of the content, offers, interactions and sheer awesomeness of your online investor marketing prowess. That action could include signing up for alerts, returning for more information, tuning in for earnings calls, and ultimately— initiating, increasing or sustaining a position in your stock.

Once you understand the power of an effective online IR strategy, and then compare that against the time, effort and senior management time required for traditional investor meetings and “dog-and-pony show” type activities, it becomes clear that online IR is without a doubt the cheapest possible source of incremental demand for your stock that you will ever find.

While “offline” IR is undoubtedly important (and to some extent irreplaceable), these activities have a very meaningful opportunity cost. Every day a CEO spends out kibitzing with investors is a day taken away from growing the business, closing big customers, setting strategy, building the management team, managing risk, driving innovation, etc. CEOs commit time to IR because they feel compelled to manage their cost of capital, and because their job security is often materially linked to share price performance. But most CEOs know that this is time they will never get back.

An integrated online IR strategy has the potential to meaningfully reduce the time commitment required for effective investor relations, while generating new sources of investor demand that would be completely impractical to develop out in the “real world.”

A great website is ultimately all about closing.

So how about those in-the-box guys?

There is no doubt that today it is easier than ever to stand up an investor website of reasonable quality. Most of your investors will be satisfied and most importantly management will not be embarrassed.

But companies who go the route of an “IR-website-in-a-box” are fundamentally forgoing the opportunity to leverage the true power of an integrated approach to online IR.

The in-the-box approach has a number of shortcomings including:

- A total lack of technical integration across the IR website and the “rest of the world” of your online presence
- Abdicating the power of SEO to make your company into an “alpha website” that will draw a wide range of investors who otherwise would be unlikely to find you
- Treating your online investor “customers” poorly by forcing them to waste time hunting for information and failing to recognize them when they return to your site
- Compromising you branding with in-the-box IR websites that don’t reside on your URL

Frankly you owe it to yourselves and to your shareholders to invest the modest effort, expense and thinking to do this right.

Breaking out of the box

We believe that by rigorously thinking through each of these elements, companies can achieve a quantum leap in terms of investor engagement, significantly improve investor acquisition and conversion online, and meaningfully reduce the amount of non-value added investor interaction.

Most importantly, a company can "break out of the box" to create a web presence that truly reflects its culture, business strategy and unique selling proposition to equity investors who have no lack of choices of companies to invest in.

With a few days of work on analysis and strategy, plus a few weeks of content and technical implementation, the rewards moving beyond the box can be exceptional.

Every company is in a Darwinian competition for capital with every other company in your industry and ultimately every other public company across the globe every single trading day.

Your management team logs tens of thousands of air miles and keep the hotel industry in the black. Your CEO is spending half her time on this exercise called investor relations, and yet it is never enough to feed the beast. You literally have tens of thousands of competitors for investment dollars. And they all are looking to pack in just one more meeting on the schedule.

So if you could do it faster, cheaper, with less effort and get in front of where the world is heading, wouldn't you want to? What have you got to lose?

About the authors

Crocker Coulson is responsible for the development of investor relations strategies for private and publicly held companies. As President of CCG Investor Relations, he has been the primary driver of the firm's national and global expansion. He has designed and overseen investor relations campaigns for more than 60 public companies, including numerous IPOs, secondary offerings, acquisitions and proxy contests. Many of the campaigns he has overseen have won top industry awards.

Crocker is a frequent public speaker on subjects relating to investor relations strategy, initial public offerings, reverse mergers, investing in China, disclosure issues and corporate governance. He is regularly quoted in national and local publications on topics related to accounting issues and the capital markets. Crocker has organized numerous conferences including the AeA's Capital Sources conference and for two years as the Chairman of the Los Angeles Venture Association's Investment Capital Conference, the China Rising Conference, the Marcum Microcap, and the China Best Ideas Investment Conference. Crocker also hosts a bi-monthly series of virtual conferences on industries including REITs, energy, life sciences, and clean tech in partnership with PR Newswire and Better Investing at http://retailinvestorconferences.com .

Prior to joining CCG, Crocker served as a writer-researcher for The New Republic magazine in Washington, DC, and wrote for a number of leading publications, including the Los Angeles Times, the Pittsburgh Post-Gazette and ArtNews. He also produced five independent films, several of which were selected for the Cannes Film Festival and Sundance. Crocker graduated summa cum laude from Yale College, where he was Editor-in-Chief of the Yale Daily News. As a Fulbright Scholar, he studied philosophy at the Freie Universität in Berlin.

Tom Runzo, age 49, co-founded Equisolve in 2006. Prior to Equisolve, Tom co-founded Equala, a fifty-person media technology company in 2001. Prior to founding Equala, he was VP of Sales & Partner Relations at Qode.com during the .com era. Prior to that, Tom was the Vice President of Sales & Marketing at Quest Net Corporation, a publicly traded internet wireless backbone provider. In 1988, he co-founded and was the COO of Diversified Technology Group ('DITEK') where he managed nearly 150 employees who manufactured, sold, and distributed surge protection equipment to Fortune 500 companies. DITEK was an ISO 9000 electronic manufacturer which was awarded the Business of the Year in 1994, and Technology Fast 50 in 1995 and 1996. Tom was responsible for all operations including the product development of hundreds of UL Listed electronic products. Tom also was responsible for sales and marketing for the organization. Tom has over twenty years of C-level management experience.