

Cutting Through the Media / Digital Fog to Deliver Company News

Targeting the Retail Market on the Internet in Real Time

BY HANK BOERNER

The micro, small and mid-cap company IRO certainly has her or his communication challenges. Let us count the ways: In many traditional print media the “news hole” is shrinking — and rapidly. As advertising revenues shrink for a growing legion of U.S. newspapers and print magazines, the usual mix of advertising (not to exceed 60 percent) and news (the remaining 40 to 50 percent) is immediately affected. As ad pages go down in number, and/or the prices paid for insertion may be reducing, news pages also become far fewer in number and editorial content gets more crowded or eliminated. Fewer journalists may be needed — and those lucky enough to stay employed may be overwhelmed by the additional work they are assigned.

While some print media maintain excellent digital “newspapers” on line, often the stories posted are lifted straight from the print version; if an article is missing in print, it will also not appear on line. And therefore, the story won’t be in the search engines.

Less and less attention is being paid to micro, small and mid-cap public companies’ news announcements or pitches for coverage. (Even large-cap issuers may find it difficult to develop media coverage in these conditions.) It may take a very unusual story line to break through: “Local Firm Invents 300 MPG Engine!”

Similar reductions on the sell side means fewer financial analysts “sharing” their news and views on companies and backgrounding journalists on companies and market trends; this also contributes to the falling number (or absence of)

stories about many micro, small and mid-cap issuers as occurred in years past. (This can be the case with smaller local newspapers.)

Good News — New Media — Or More Pressure on Old Media?

With all the good news buzz about “new media” (and gushing descriptions of vastly expanded digital means for delivery of news and company stories via electronic platforms) there are at the same time more challenges posed to traditional (or “old”) media. Even if well-established print players do move aggressively to on-line publishing — and many have, some quite effectively — their Web sites draw viewers but the ad dollars generated are considerably lower than previously enjoyed in print sales. The proliferation of new media offers advertisers much greater potential reach at much lower per-reader cost with more opportunity to better target niche audiences (for free or for little cost).

Add in the current recession, the rising cost of newsprint and ink, and the expenses of traditional distribution, and even the largest print publishers juggling print and Web versions of news are experiencing all kinds of financial difficulties. Many will ultimately fail.

All of this affects the IR community directly and indirectly (as well as corporate communication managers).

The dramatic new array of approaches to corporate communication — especially including investor relations communication — do offer some reasonable alternatives to traditional print media delivery channels.



IROs have a choice of using the corporate Web site for news distribution, maintaining a comprehensive, dedicated IR Web site; they can blog, participate on a forum or listserv; be active in a chat room; publish digital annual or quarterly reports (including the nascent video annual reports), place IR advertising on Web platforms, Twitter away, and indulge in many more digital choices to tell the company story.

NEW APPROACH: TARGETING THE RETAIL MARKET WITH “NEWS UPDATE” TECHNOLOGY

What if an IRO could be assured that wire service end users actually saw the company’s news and related information as they search for company or sector or industry news? What if those users were well-qualified investors, such as paid subscribers to financial news and feature services?

A new approach to this was recently announced by GlobeNewswire (a NASDAQ OMX company), in collaboration with MUNCmedia — The Retail Investor Targeting Service, an online distribution service that “pushes” company news updates directly (and immediately) to investors in real time as they are searching for news of the company’s peers and competitors in related industries and sectors. (GlobeNewswire provides press release newswire and multimedia content to media, investment community, individual investors, and various Web portals.)

According to the companies, targeting algorithms are developed and maintained by MUNCmedia, and working with a network of 200 online financial publications, Globe says an estimated 90 million unique monthly research activities might be reached by companies issuing breaking news. (The frequency and reach depend on the client company selections of GlobeNewswire’s Breaking News Update distribution and MUNCmedia’s algorithms.)

“The effect is for the issuer to attempt to take control of their news on the distribution to the financial community, as well as supporting content,” explains Matt Bird, president of Market Update Network, of which MUNCmedia is an interactive information distribution network. The primary audience is the **retail investor market**, as well as brokers or institutional investors (readers accessed in the databases include individuals associated with financial market companies who subscribe in their individual name).

More information is available at: www.muncmedia.com and www.globenewswire.com.

— Hank Boerner


Digital Pathways to the Retail Market

The digital pathways to the retail market have been steadily and dramatically expanding. The way forward is not always clear — should we have the CEO become a blogger? Should I, the IR spokesperson, now communicate through 140-character Tweets? Should I post news on social news sharing sites? On list-servs? What are my investors’ expectations? (And what will they accept in the way of social media communication?)

These are some of the challenges for the IRO amidst the good news chatter of still more digital delivery opportunities: How do we break through the electronic smog and clutter to reach the right audience, briefly capture their attention, quickly deliver our company’s story, and persuade the current or potential investor *to buy or hold*. Or at the least, take a closer look at our company.

Everyone is bombarded with sound bites, bits & bytes of hundreds of digital messages each day (just check your e-mail and vibrating PDA there on the desk), and getting the company’s messages and story to the right audience at the right time and in the right context is ... well, very challenging as you well know.

For the past two decades a universal approach to broadly disseminating news and related company information has been the use of the private wire services, which reach literally thousands of qualified end point contacts — right there in media and investment offices — simultaneously. The wire service providers have become the primary means of meeting timely and broad disclosure requirements for issuers. But there are challenges there as well. The universally used wires can feed your news to thousands of end users ... your challenge is to get your small or mid-cap company to stand out from the crowd.

“Next generation” means of communication with retail investors are being enabled by the inexorable growth of the global Internet and the steady advances in hardware and software that have forever changed the centuries-old “Guttenberg Press” approach to mass communication through print media. “Old” media are shifting to “new” media platforms and new media are embracing still more innovative pathways to the end users. What’s ahead? As we frequently write, *Stay Tuned!* 

Hank Boerner is editor of NIRI IR Update, and a former business and financial journalist who began his career in “traditional media” (newspapers, magazines, newsletters, radio, television) which hasn’t disappeared just yet.