

# The Case for an IR Website

Alison Chow of [irasia.com](http://irasia.com) debunks some of the myths and errors about corporate IR websites

BY ALISON CHOW OF IRASIA.COM

"MY FRIEND said his company has an IR website what did he mean by that?" the CEO asked his CFO. "We already have our annual reports online, isn't that enough?"

An IR website can be a standalone website or a section of a company's website dedicated to investor relations. Putting your annual reports online is certainly appropriate, but that alone is not enough.

An IR website's objective should be a prime channel of communication between you and your investors. It should help investors understand your company by making relevant information available on a timely basis; and at the same time, your IR website should help you understand your investors as well.

Just think of yourself as an investor arriving at a company's IR website. Will having the once a year annual report alone do? Wouldn't you want to know more such as what has happened throughout the year? What is new with the company? Wouldn't you like to learn more about the board and the management team?

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Similarly, think from the company's point of view: what do you want to know about your investors, or visitors to your IR website? How can you encourage them to provide feedback to you? How do you get to know who they are so you can serve them better?

Think along these lines and you will be able to identify the items you should include on your IR website. As a start, you can provide the corporate profile, management bio, an announcements section, a press releases section, and an annual/interim results section. You can always add more items you deem fit along the way.

## ***Where are the goodies? Hiding somewhere?***

"A few analysts called and complained that they can't find any information on our company's website," said the IR Officer to the webmaster. "I just don't know what they're talking about. All the information is there."

True enough, but one of the most frequent complaints from investors about companies' websites is that it is difficult to locate information that is relevant to them. This may be a navigation issue. Some companies' web-

sites were developed for marketing purposes, so it is little wonder that the webmaster (who is not IR minded) doesn't know or care about where to put your IR information.

No worries though, this can be fixed quite easily. Create an Investor Relations section on your site. The section name says it all, and should help your investors zoom in quite quickly to those sub sections and relevant contents that you make available.

### ***Are you still in the last century?***

"This fund manager called from overseas and asked how come our results announcement of last Tuesday is not up on our web yet," the secretary reported to the CFO. "I told him that we should have it up in the next two weeks or so, and hey! This is a big improvement already. Remember last year? It took 3 months before IT put it up for us."

Investors are frequently frustrated by outdated information on companies' websites. This will leave them with a negative impression of the company. You would probably

make one or two unkind remarks too, if you were researching on a company via its website and found only dated info 2000.

IR needs management support. If your management does not support IR, it shows; and it shows via your web site by not showing up. This disrespect for IR, and therefore investors, would be the message that you are giving through your website.

If management cares about IR, there is no reason why last Tuesday's results announce-

ment was not up on your web, last Tuesday! You would not just leave it for your IT department to process it whenever they get around to it. (I can hear the IT department saying: "we're really tied up with all the system administration and networking and this company website was supposed to be just a one off project").

Well, website maintenance is a common headache faced by companies big and small, here and overseas. Your problem is not unique and it can be fixed, so don't despair.

Outsource. That is one way of solving it. But a word of caution. If web programmers were equivalent to doctors, then getting a general practitioner just won't do. You need a cardiologist, a specialist, someone who understands both IR and the Internet to handle the maintenance of IR on your website.

Why do I say that - a web page is a web page, no? NO. A web page is a web page and wrong information is wrong information. IR announcements should be treated and handled with due respect as they are official representations from your company with legal implications. Typically, there are multiple parties involved when a company issues a statement, such as the CEO, CFO, the company secretary and IR department to name a few. It is important to ensure that there is no communication breakdown from start to finish. For instance, you have to be certain that the approved final version of the statement (and not the second or third draft) is the one published on the Internet.

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***Can anyone find us? We are here!***

"Now that we finally have our company's IR website up and running, and are able to update it regularly," said the IR Officer to her assistant, "what are the visitors statistics like?" "Well," answered the assistant, "we don't have last month's statistics yet as it usually takes three weeks from month's end to process it, but the previous two months were 65 and 110 page views."

Generating a monthly report typically takes a while, so it is not surprising that most companies have to live with it. Online real time page view reports are not common, but they are available. As a matter of fact, the author's company, irasia.com (an aggregator of IR information from Asia Pacific companies), provides it to its clients so they get up to date feedback.

Popularity of your website, as measured by monthly page view numbers, is dependent on numerous factors. For instance, is your company or your web address well known? Is your website easy to find? Is your content attractive? All these take time to establish, and you should start now.

If nobody has heard of your company, then it is only natural that they would not access your website - even though you may have a wealth of the most updated IR information on the site.

If the most logical domain name for your company is not available and you have to resort to "AB-Cpro-perties.com" instead of the more desirable "ABCProperties.com", then it makes it so much harder for someone to guess your domain name when they try to

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find you on the Internet.

That's why it is advisable for companies, in addition to ensuring that their websites stay attractive, to compliment their

site and drive traffic to it via other channels as well.

On and offline promotions should be used to advertise the web address. Having a listing on your stock exchange's website and using irasia.com to drive traffic to your website are also ways you can promote your website.

***Be seen at the right place***

"This is ridiculous and so annoying," said the IR Officer to the CEO. "They have taken our words out of context and misquoted us again in the newspaper. I already took a few calls from some investors this morning."

Rather than having the public get a different or even an inaccurate picture of your company, from sources totally out of your control, wouldn't it be better if everyone could hear/access your messages? Reports in the news, if misquoted, bring about adverse publicity and you then need to spend extra time and resources to clarify the situation.

What you want - and should do - is to get YOUR messages out. You must make the verbatim versions available as soon as possible, to as many people as possible, via as many appropriate channels as possible.

Publishing your announcements on your IR website is one way to do it. In addition, you should also utilize reputable, appropriate and neutral channels where the verbatim

version of your announcements can be carried. (The stock exchange website can be one, and [www.irasia.com](http://www.irasia.com), which is developed especially for IR information from Asia Pacific companies, can be another one).

Aggregator sites like that of the stock exchange's or [irasia.com](http://www.irasia.com) provides much more traffic than a stand alone corporate site, and are ideal additional channels to broadcast your verbatim messages, making it more convenient for investors looking for your information.

The principle is to communicate your messages to as wide an audience as possible and that can only be achieved if you proactively make it convenient for investors to find you.

#### **Thank God for shopping malls**

"What is [irasia.com](http://www.irasia.com)? We have our own corporate website already, so why do you still need to use it?" Asked the financial controller of the IR Officer. "Oh no, our own website and that of the stock exchange are not enough. [irasia.com](http://www.irasia.com) is internationally recognized and it is focused in aggregating IR information from Asia Pacific companies," replied the IRO. "It is unique because it publishes our statements verbatim and you can appreciate its attractiveness to serious investors looking for primary information on companies like ours. It helps augment our visibility, gets our messages across to a wider audience, not just to existing shareholders, but to potential investors as well. You know, it is difficult for us to identify and reach all these investors on our own, but through [irasia.com](http://www.irasia.com), it helps build our brand name amongst global investors. I am grate-

ful for a platform like it."

An analogy would be the shopping mall, which generates more traffic than stand alone stores scattered all over the boondocks. The mall is attractive to shoppers because of the one-stop convenience it provides. Shoppers will notice the different brands in the mall when they go to the mall. While they may not shop at every store every time, but they take with them an impression of the brand names represented, which means potential business for these stores in the future.

#### **About the author**

**Alison Chow, CEO and Co-Founder, [irasia.com](http://www.irasia.com)**

Alison was with Price Waterhouse in New York before returning to Hong Kong to join Citibank, Union Bank of Switzerland and Bank Austria, before founding [irasia.com](http://www.irasia.com). Alison graduated Cum Laude from Boston University with a Bachelor of Science degree in Business Administration, and is a USA qualified Certified Public Accountant. As a frequent conference speaker, Alison shares her expertise in merging IR with the Internet. She has also published articles in *Equities Quarterly*.

#### **About [irasia.com](http://www.irasia.com)**

Rated by TIME Magazine as one of the Best Sites for "Research to make Investment Decisions", and selected by Forbes as 'Best of the Web' - Asia/Investing, [irasia.com](http://www.irasia.com) (pronounced "I R Asia") is the premier online source of primary Investor Relations information on Asian Pacific listed companies.