FLEISHMANHILLARD FISHBURN

Seeing the bigger picture

We are all investors
2019 // Issue two

You want people who are vested in your company to feel part of who you are and what you do.

They are your customers, your employees, your business partners, your shareholders, even the media.

At FleishmanHillard Fishburn, we have five specialist award-winning teams – brand, purpose, reporting, employees and reputation – that work with you to build a comprehensive corporate communications programme.

Together, we see the bigger picture.

Say hello at weareallinvestors.com

What's inside

Your business purpose //
Giving people a reason to believe

Get in touch:
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Ten questions
To ask your company before you take a stand

If you answer no to any of these questions, you'll have a hard time making an impact – and convincing the public you're serious.

In an uncertain world for brands, there are two truths. The first is that 53% of consumers now look to companies, rather than governments or NGOs, to deliver solutions to big environmental and societal challenges. The second is that 60% of consumers will stop buying from a company if they disagree with their stance on a social issue. We want you to stand for something, not just sell us something.

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60% of consumers will stop buying from a company if they disagree with their stance on a social issue

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To be real and meaningful in taking a stand, consider a simple social-risk analysis. If the answer to more than two questions below is a no, you'll have an uphill battle in persuading your employees or customers to get behind you.

1. **Have you avoided white male groupthink?**
Before you even get the pricey consultants in, ask a simple question: Did a bunch of male executives push this through, backed by some ad-bros professing it was "zeitgeisty" [not a word] and would help brand equity? Are the people in the decision-making process representative of the people you're targeting? I can't speak for the creatives behind the Kendall Jenner Pepsi ad, but I would wager that few had gone to a demonstration and fewer still had been victims of police racism.

Ten questions
To ask your company before you take a stand continued

2. Is taking a stand on this issue in tune with your purpose?
Google's stated purpose is to "organize the world's information and make it universally accessible." The company elected not to enter the Chinese market, for that very reason, despite pressure from investors (though that commitment recently wavered).

3. Will the action materially create impact on the issue?
And what can we do as a business to materially create impact? If saying something creates real and positive change, then say it. By stopping, or by starting to do something, you can help deliver on your promise. Show that you care, don't just tell people you do.

For the impact rules, consider Iceland's Rang-Tan ad. In it, the progressive retailer committed to only use sustainable palm oil in its products – deforestation in traditional palm oil production has reportedly pushed orangutans to the brink of extinction. It called for its peers to do the same. And it worked in collaboration with Greenpeace, a collaboration not without risks, to produce an ad raising awareness of these endangered great apes. How the brand delivers on its promise in light of recent news remains to be seen. But the combination of commitment and the act of speaking out has created a positive impact.

4. Do colleagues support this?
Employees are not only the lifeblood of a company, they're your most important stakeholders. Have you done internal focus group testing? Do millennial employees – one of the most socially progressive generations – get and support what you're trying to do?

5. Does the executive leadership of my firm believe in this?
If you're serious about creating change, the CEO must be the driving force. They don't need to be the face of the campaign, but they do need to be able to justify it to your investors.

6. Are we calling for action?
What are you asking people to do about the issue? When Ben and Jerry's backed gay marriage in Australia, they wanted their customers to do the same. So much so that they refused to serve two scoops of the same flavour together until gay marriage was allowed.

7. Is my own house in order?
If you're launching a campaign to highlight sexism or toxic masculinity in Europe, you better make damned sure you're not using images of size zero women in sexually suggestive poses in your ads in China.

8. Do we have a partner to create impact?
You wouldn't launch a new product without asking the experts, so don't wade into an issue without consulting campaigners who have worked on it for years.

9. Are we going to be doing this in a year's time?
Change comes slowly, and is not caused by an ad campaign or a single speech. The success of Heineken's #OpenYourWorld campaign, to bring people with different opinions together after a divisive battle over Brexit in England, will be judged on exactly that – how many people they have brought together.

10. Would you keep the campaign if there's a backlash?
This is the most difficult question. No stand, no matter how well planned, will be without controversy or negative reaction. And that makes the money men jittery. It's likely that your share price will be affected, at least temporarily. But consider this. When backing Colin Kaepernick, Nike's share price took a multibillion-dollar hit, falling 3% in the first few days. Three weeks later Nike's share price reached a record high, online sales grew more than 30%, and the brand was valued at $6 billion. The lawyers and the financial advisers might have killed the campaign in its infancy had they known what would happen. But Nike's customers wanted it, the company stuck with it, and they have been rewarded for their bravery. PA

This article first appeared on www.fastcompany.com

ESG and impact investing
What's next?

Communicators have an enormous role to play in helping companies communicate with investors around responsibility, and this month FleishmanHillard Fishburn hosted the PRCA's Investment Sector Group for its "The Future of ESG & Impact Investing" event.

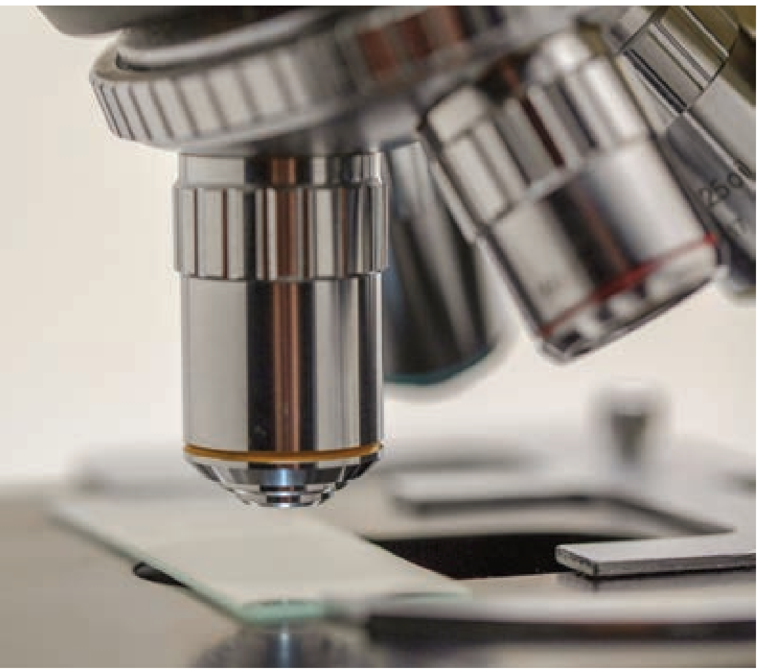
The evening – which brought together leading investors, policy experts and communications professionals from S&P Trucost, Barclays, Diageo and the PRI – saw lively and engaging discussion about the future development of ESG investing.

Making returns responsible
The growing role of environmental, social and governance (or ESG) criteria has rightly been one of the most popular conversations surrounding investment in recent years. Investors are now not only holding corporates to account over ESG issues, but are also using their influence to improve corporate behaviour from the boardroom down.

For many years, ESG was unfairly perceived by some investors as afterthought at best and a marketing gimmick at worst. However, what became apparent during the session is how the criteria, along with broader purposeful business issues, are now at the forefront of both corporates' and investors' minds. A growing number of institutional investors appreciate that showing impact on ESG factors is not just an important pillar of corporate citizenship, but is a vital part of risk management. High profile examples of poor governance like the Volkswagen emissions scandal cost investors billions, making them painfully aware of how damaging bad behaviour can be to their returns.

Investors are therefore more attuned to ESG criteria than they have ever been, and another interesting takeaway from the session was the impact this is having on financial communications. The panel provided excellent insight into how they tell their ESG story, with large corporates now having a heavyweight ESG reporting function.

ESG and impact investing
What's next? continued



The bigger picture

Savvy investors understand that as consumers increasingly show support for purposeful business with their feet (or rather their wallets), those who get it right will be a good long-term investment. This, the panel suggested, means that purposeful business campaigns are more important than ever – and that investors are paying greater attention to consumer trust, reputation and ESG performance.

The panel pointed out that this trend will accelerate as millennials become ascendant in terms of both wealth and spending power. This change won't just be affected through millennial spending power, however. Millennials are twice as likely to invest in funds that target specific ESG outcomes, and the panel agreed that values-driven millennials are transforming the retail investment market. With the great intergenerational wealth transfer still looming on the horizon, the retail market has yet to feel the full force of this demographic shift. The panel also agreed that millennial investors will force a change in behaviour among older investors, advisers, and institutions.

We are all investors

With so many corporates rightly shouting about their ESG activities, communicators must articulate their company or clients' credentials as compellingly as possible. The panel agreed that for ESG activity to really stand out it needs to be impactful, brand-relevant, and deal with genuine issues. One of the more innovative campaigns the panel discussed was Smirnoff's "Labels are for bottles not people" campaign, which saw the brand engage with issues affecting the LGBTQ+ community through the lens of its focus on nightlife.

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Labels are for bottles not people

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At first glance it might seem like campaigns like this, which can appear consumer-led, might not resonate with would-be investors. However, the consensus was that this couldn't be further from the truth. Effective purposeful business campaigns become part of a corporate's DNA and will work for all audiences that they're trying to reach – irrespective of whether they're buying stocks or buying spirits. WM

Your corporate brand // **Building trust**

Get in touch:
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Looks matter
And 2019 is looking good

Let's be blunt about this: looks matter. You can be the cleverest, trendiest, kindest company around; but unless your brand looks the part, you don't stand a chance.

Of course, the clever/trendy/kind stuff is important, more than important. It's your purpose, the essence of who you are. Our argument is, there is no point doing it, if you don't show it.

The world's most powerful brands – Google, Apple, Amazon – realised this long ago. Their brand identity has always been a vital reflection of who they are; they don't have one written corporate purpose and one visual brand purpose, they have one overarching mission that seeps into everything they do, everything they think and everything they create.

2019 is the year everyone else needs to do the same. Far too many brands are still relying on stock images or idealised brand libraries to try and reflect who they are, but no one is fooled. The consumer is savvy, they've been inundated with branded images for years and they instantly know what is authentic and what is a tired, generic "this will do".

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A corporate purpose needs to go beyond just words to achieve meaningful employee buy-in

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But it won't do. A corporate purpose needs to go beyond just words to achieve meaningful employee buy-in and customer understanding – after all, one picture is worth a thousand words. That's why FHF's new Visual Purpose offering connects directly with our Corporate Purpose team to create one holistic experience, unifying purpose communications and building omnipresent brands.

It's a new challenge, but we're excited. With the right look, 2019 is looking good.

Living the brand
Whose responsibility is it anyway?

You will be hard pressed to find a brand whose values don't at least acknowledge the importance of acting responsibly towards the environment. We ask companies to fulfil their brand promises, but that must start with us.

With a world that is changing faster than we can turn back the clock, and a need to turn back the clock to save the natural world, what can we do as a business and individually? Become vegetarians you say? Go plastic free? Turn fully digital? Well yes, but this seems all so drastic a change to our businesses and lives. We can start to take small steps in our offices towards a better planet without sacrificing creature comforts.

Six ways we can easily reduce our carbon footprint and help realise the environmental brand promise:

1. One woman's trash is another woman's treasure, you may think that old office laptop or shop-floor phone you are using is ready for the bin but are you sure it doesn't have another life in someone else's hands after you? Your IT department can recycle and upcycle old machines for a new user in the office without having to add to the e-waste buried in landfills. If it is completely kaput perhaps turn it into a lovely piece of art?

2. Get onto Ecosia as your main search engine! Every internet search you do on Ecosia helps to plant trees that offset our carbon footprint and benefits environments and communities that need the most help.

3. We all love our furry friends so why not save our lunch break scraps for them. We can create food scrap bins in the office that can be handed over to local farmers (shout out to the Hackney City Farm in London), or we can start composting for indoor plants/veggie gardens.

Living the brand
Whose responsibility is it anyway? continued

4. Print responsibly, do you need a physical copy? Can you use recycled materials? Are you sure you need that many copies? Most offices now have TV screens in every meeting room, let's put them to good use and lose the printouts!

5. BYO (Bring your own) Meat-free dish Mondays! Not only can we reduce our collective carbon emissions this way, but we can bond with colleagues over a tofurky lunchtime event.

6. Try or encourage working from home and get on your bike for your commute. When you don't have meetings or commitments that require you to be sat at your desk in the office why not work from home?

Currently companies output trash the size of a small island every year, but we can effect real change in our societies, if we each had one day each week where we collectively didn't eat meat then our usual lunchtime sandwich suppliers would start to reflect this habit in their stock, resulting in a reduced need for animal farming and thus less carbon emissions. We are all investors. Together we can achieve anything, let's all invest in our planet's future. Let's be the brand. SC

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Together we can achieve anything, let's all invest in our planet's future

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Your employee engagement // **Raising the level of personal investment**

Get in touch:
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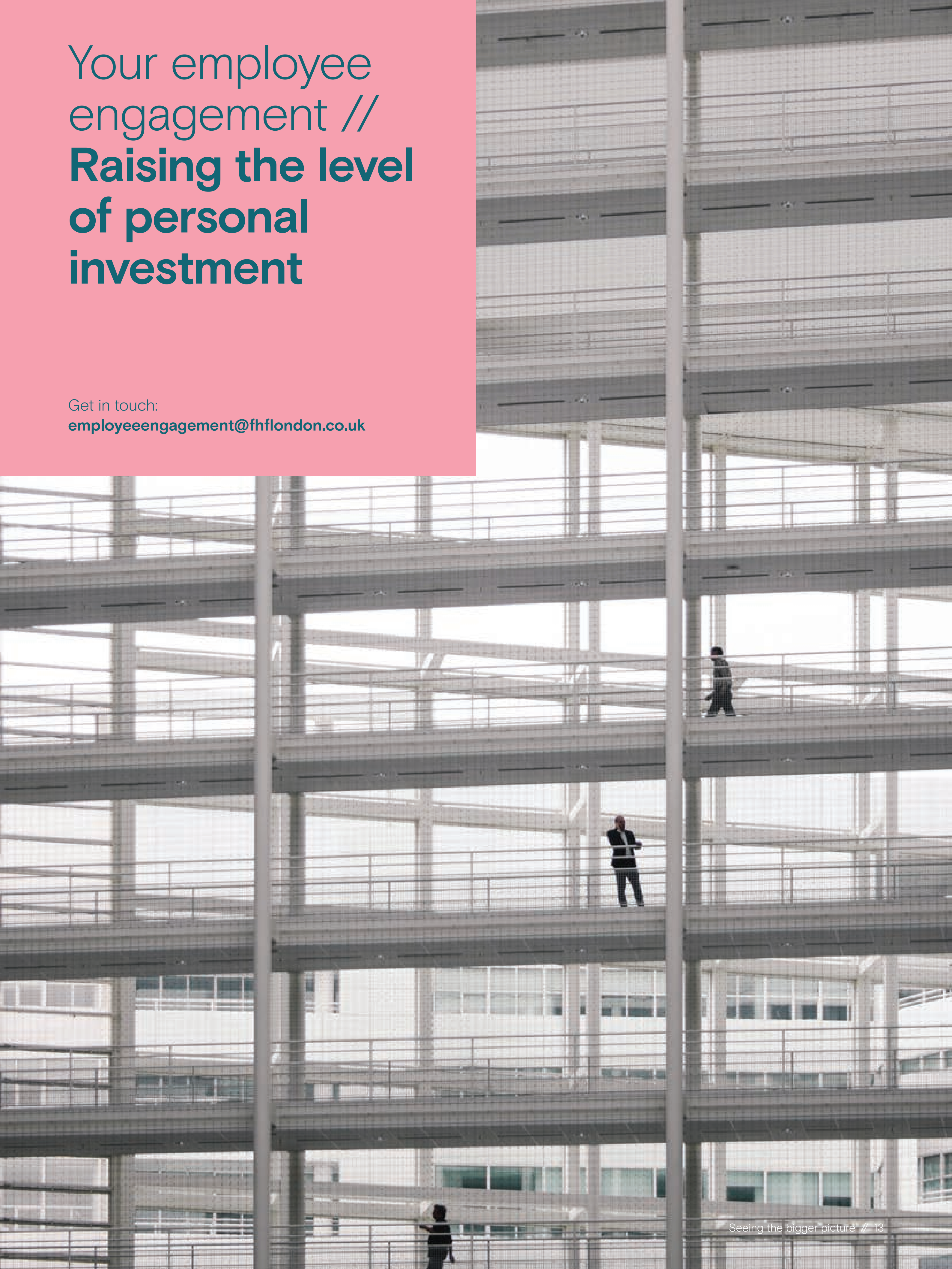

Serious fun
Fun is underrated

As it becomes increasingly strategic, Internal Communications is also at risk of becoming overwhelmingly serious.

As Internal Communications has risen up the strategic agenda, much has been said of its potential to deliver meaningful business impact.

And it's true – Communications is a business discipline and should, therefore, support meaningful business goals. Whether your organisation is navigating transformation or it's business-as-usual, Internal Communications plays a hugely important role in engaging employees and unlocking the numerous, well-documented benefits that brings.

However, as it becomes increasingly strategic, Internal Communications is also at risk of becoming overwhelmingly serious. Often, organisations focus on helping their employees feel that what they do ladders up to something big and important. They want us to identify with the organisation's purpose, to be excited by the CEO's vision, to understand our role in delivering the strategy, and to buy in to the next big change.

Unquestionably, these are important drivers of an engaged workforce. But they are also somewhat abstract and lofty in nature and, too often, organisations are guilty of communicating these things in a way that leaves employees feeling like it is all happening to them, rather than with them.

There is another, equally important side to the engagement picture. This side is not overwhelmingly top-down, nor carefully controlled – it's the things that make you simply enjoy the experience of being at work. It might be the strategic update video from your function lead which included her bloopers at the end, the time a start-up came in to show (not tell) your team how they truly lived "agile", or the escape room event that helped you get to grips with a new technology system.

The blurring personas
How well do you know me?

Whatever your organisation does, your people are just that – people, not resources. And, at the end of the day, people like a bit of fun in their life – even, or especially, at work. Indeed, there is plenty of research demonstrating that fun is an effective way of 'nudging' people and that happy employees are ultimately healthier, more collaborative, more creative, and more productive.

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"Engage" is to attract someone's interest or attention
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So, when we talk about employee engagement in 2019, let's not forget that the dictionary definition of "engage" is to attract someone's interest or attention. What better way to do so than by injecting a little fun into the employee experience? TM

People don't stop being "people" when they walk through the door at 9am.

A few weeks ago, my colleague Emily wrote about the importance of organisations getting to know their employees. "We need to start," she wrote, "to place more emphasis on developing a detailed and intimate understanding of our internal audiences."

Sensible advice – but, surely, "know your audience" is among the oldest truisms in communications. So why do we still need to talk about it today, in the context of engaging and mobilising employees?

The answer is that, at a time when organisations need the power of their people more than ever, what drives employees in the workplace has never been more complex and personal.

In growing numbers, we have long been dissatisfied with the traditional employer-employee relationship, in which we contribute within well-defined (and often limiting) parameters in exchange for financial reward. Rather, many of us increasingly expect, among other things, the freedom to contribute and make a meaningful difference, a sense of social purpose, and compelling experiences in the workplace.

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The line between "personal" and "professional" continues to blur
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In part, this is because we no longer make a clear distinction between our work and life personas, values, and ambitions. And, as the line between "personal" and "professional" continues to blur, our expectations of work are increasingly born of the world beyond work. Or, in other words, we don't stop being "people" and become "employees" when we walk through the door at 9am.

The blurring personas
How well do you know me? continued

Within this context, the challenge for organisations is that their people are often one of their biggest blind spots. While many employers recognise employees as their most valuable asset, they haven't truly come to terms with the reality that they are also their most variable asset. How well do organisations really understand what drives those they entrust with executing strategy, powering transformation, and delivering organisational success?

Whatever the goal, mobilising people starts with meeting their expectations – and the list of potential solutions is long: having a voice that matters; growth opportunities; working for an employer who aligns with their values and acts on their beliefs; consumer-grade tools, channels and content in the workplace; co-creation of projects and solutions; leaders who care; reassurance about future skills; partnerships with influencers employees respect...

To create conditions that will unlock the full power of their people, therefore, organisations must work much harder to identify and tap into what really makes them tick. Only by building a holistic understanding of employees beyond the organisational context alone can organisations identify which levers they need to pull.

In short, if organisations are to successfully engage and mobilise their people, they first need to get to know them as people. TM

Your reporting communications // **Establishing confidence**

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The power of storytelling
Corporate reporting needs to get real

You want people who are vested in your company to feel part of who you are and what you do. Your annual report is the perfect opportunity to tell your story, to articulate your purpose and a clear and compelling vision, to define and embody the long-term possibilities for your organization, and to represent a sustainable future. So why are most annual reports so dull?

People are natural storytellers. Organizations are not.
Stories have always framed our understanding of the world. They are embedded with power. The power to influence. To inspire. To make change imaginable. Which begs the question, if stories are so powerful, why are most organizations so bad at telling them? For some reason, as soon as we join a company we forget how to tell a story. We find collective safety in pie charts, spreadsheets and corporate jargon. In facts and figures and PowerPoint slides. And tedious annual reports.

As communicators we spend a great deal of time crafting the perfect message, but not enough time on how to get audiences to pay attention or care. Organizations need to rediscover storytelling. To move away from command-and-control messaging to crafting stories that engage, motivate and influence behaviour.

Swipe right
Consider this. Our average attention span is now down to 8.4 seconds. That's officially less than a goldfish. People want information that's consumable and entertaining. To fully engage them, we need to tell stories that pull them in. Stories that capture their attention, make them lean back and spend some time with us. Stories media will want to print. Stories employees will want to share. Stories investors will be reassured by. And customers will want to hear.

Your corporate narrative and business story should be expressed in human terms. People describe how they feel about companies in profoundly personal ways. Your report needs to be about a human, not institutional, relationship – and successful human relationships are based on collaboration, trust, authenticity and shared purpose. It's about who you are and what you stand for. Not what you do. People don't buy what you do, they buy why you do it.

We're in it together
It's not what you deliver to stakeholders. It's the journey you're on with them. It's not about creating value for yourself, but creating value that transcends your company. It's more than what you deliver. Or the impact your organization has on the world. It's the journey you are on with your stakeholders as co-creators.

Ultimately your annual report should be a call to action. As a repository of your corporate narrative, it is uniquely placed to inspire employees, excite partners, encourage shareholders, attract customers and engage powerful influencers such as analysts, rating agencies and the media. By declaring that the opportunity addressed cannot be achieved by you alone, you build trust and equity. The call to action proves your understanding of what drives the people you are reaching out to. And it encourages stakeholders to care about the outcome.

It's your annual report. Make it matter. RC

Degrees of separation
ESG reporting: integrate or separate?

The current surge in interest in environmental, social and governance (ESG) has seen it take centre stage. From millennial social media posts to the boardroom of globally listed businesses, to influencing investment decisions at financial institutions with trillions of dollars in assets under management, corporate behaviour is under scrutiny more than ever.

With this much at stake, across such a diverse stakeholder base, are businesses making the right decision in how they report on ESG?

The mix-up
There is currently a very mixed approach to reporting on ESG issues. If there's a recurring theme, it's probably the uncertainty on how to do it. Some businesses even misrepresent ESG for what used to be known as corporate social responsibility.

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Some businesses even misrepresent ESG for what used to be known as corporate social responsibility

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When the International Integrated Reporting Council's (IIRC) framework to reporting first came to prominence six years ago, most reporters incorrectly believed this was purely a call to arms to bring CSR into the main annual report. The truth is, that's but a small part of a much grander vision.

The IIRC's vision of integrated annual reporting is to explain to an organisation's diverse stakeholders how value is created over time. This is achieved by demonstrating that financial performance can only be fully understood when viewed as the combined outcome of business strategy, business model, risk management, company culture and remuneration policy.

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This has resulted in a 60% increase over the past 10 years in the number of pages that make up the "front-end" of an annual report

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There's bad integration …

The onset of integrated reporting combined with ongoing regulatory changes has encouraged the increased disclosure of off-balance sheet items, in addition to the statutory financial performance. This has resulted in a 60% increase over the past 10 years in the number of pages that make up the "front-end" corporate narrative of an annual report.

As a result, the current trend is to limit ESG commentary to areas where it resonates most with the investor audience – such as the business model and strategic commentary, but less so in the operational review.

However, there is increasing demand for greater disclosure of ESG initiatives, where investors are looking for greater data detail against an increasing number of global frameworks like the PRI, TCFD, GRI and the SDGs, to name but a few.

… and good separation

Every company is different. For each, the best approach to integrated reporting should simply reflect how and where they perceive ESG materially impacting the business objectives.

Our perspective at FHF, informed by client and sustainability analyst feedback, is that the reporting format should cater for investor demand. Clients who currently do not produce a separate ESG report are having to continually be reactive to queries, especially when pushed on key ESG issues by the ratings agencies, particularly MSCI. By and large investors are demanding integration of top line ESG reporting in the AR, and greater ESG disclosure separately.

And in the end

So, integration or separation? The answer is both. No matter the size of your business, or how small you believe your investor audience to be, your annual report should demonstrate how ESG concerns are integral to your core business strategy. But wider ESG data is not just gaining in popularity as a nice to have, it is becoming fundamental to key investment decisions. RC

Your company reputation // **Shaping perceptions**

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New investor activism

A new era of investor activism, a force for change / Why ESG is the next big thing for shareholder engagement.

Investor activism is nothing new by any stretch of the imagination, having been personified by the siege antics of 1980s Wall Street caricatures. However, since then, there is growing evidence that shareholder activism has achieved acceptance as a legitimate investment strategy.

For years, corporate boards and management have faced the daunting challenge of responding to and fending off threats from shareholder activists. Typically, this describes the “corporate raider” breed of investor who builds up a large equity stake and deploys high pressure tactics to trigger management or structural changes and gain board seats to shift corporate strategy – all with the sole purpose of driving up the share price of underperforming companies. And this trend shows no sign of abating.

In fact, according to Activist Insight’s 2018 Review, the number of companies publicly targeted hit record highs in the US, Canada, Japan, Australia, and the UK – with activist funds investing a record $65bn of fresh capital. And with Elliott’s and Starboard’s recent march on Ebay, as well as the well documented ongoing battle between Bramson and Barclays, all signs point towards further activist movement over the course of 2019.

The changing activist approach
But it’s not just the numbers that are changing. The tactics and objectives of activists are changing too. While once upon a time, activists revelled in an image of barbarian outlaws breaching the defences of corporate fortresses, today an activist may be just as likely to play the long game. They often now choose to apply soft pressure over a longer duration and coalesce with other advocates to turn up the heat, leading to some long-term focused asset managers aligning with their voice. As a result, we are increasingly seeing target companies opening dialogues and agreeing settlements on terms they may not have considered before.

Increasing external scrutiny
Today, Chief Executives and their inner circles are under scrutiny on an unprecedented scale, as they seek to reconcile their responsibilities of delivering both short and long-term shareholder return, while also being held to account more and more on issues that have wider societal significance. But an interesting trend is emerging, seeing the two converge to form a new kind of paradigm shift; investor activism on environmental, social and governance (ESG) issues.

Holding companies to account
Earlier this year activist investor group Arjuna Capital announced it was targeting a dozen financial and technology firms, including Facebook, Alphabet and Bank of America, with a shareholder proposal to act on the extent of their gender pay gaps. Similarly, last year the $5 billion hedge fund Jana Impact Capital joined forces with the California State Teachers' Retirement System (CalSTRS), which has an estimated $2 billion in Apple equity, to campaign on concerns on the impact of smartphones on childhood development and calling on Apple to implement new parental control measures on their devices.

Cynics may argue that both were nothing more than publicity campaigns to garner support from other institutions who have expressed a socially conscious agenda, but there is no denying they tap into an activist mindset that is swelling in public consciousness who now wield new (and perhaps untapped) power to hold corporates to account.

Now it would be naïve to suggest that this is all down to pure altruism or moral responsibility, after all there is evidence to suggest that socially responsible investing delivers higher returns and companies with better governance principles achieve a higher share price and a better credit rating. Indeed, Vanguard recently noted in its stewardship report, "A consensus is growing in the investment community that certain environmental, social, and governance matters can significantly affect a public company's long-term financial value."
So, it's not surprising that proxy support for ESG proposals have been rising for the past four years.

So, should corporates worry about proxy contests from ESG activists?
Well, it would be premature to suggest that ESG activist investors will command as much attention as or exert as much pressure as traditional activist funds – especially as they are fewer in number and typically employ less confrontational or disruptive tactics.

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81% of investors believe companies do not adequately disclose their ESG risks that could affect their current business models

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However, there is still reason to suggest that corporates need to up their game when it comes to ESG practices and disclosure, as 81% of investors believe companies do not adequately disclose their ESG risks that could affect their current business models.

As such, it is crucial that companies pay far greater attention on articulating and demonstrating how ESG approaches influence everyday business decisions, focus on engaging with investor audiences around ESG metrics and commit to implementing tangible changes to proactively unlock business value.

The bottom line is the activist game is changing and disparate stakeholder interests are on a collision course. Today, your company's investors are more than your financial shareholders, they're also your customers, your employees – and everything you say, think and stand for must go wider, delve deeper and reach wider.

In practice, this means companies must be far more robust in their ESG materiality assessments and use it to inform how they measure impact, how they implement new programmes and how they communicate success – creating a working framework to engage with all stakeholders and investor audiences. LB

Instagram rules
What does Instagram have to do with your investors?

Last year, Instagram hit a staggering one billion active users and it is currently seeing growth of 5% per quarter, generating more than $5.48 billion in advertising revenue – providing one of Facebook's biggest sources of revenue growth. But while these may be compelling figures, what exactly does a photo sharing social media platform have to do with your investors?

In 2019, we have reached a critical juncture when it comes to financial communications and investor engagement. Once upon a time, reaching investors relied almost solely on sell-side broker and analyst relationships, issuing results and securing coverage in the "pink pages" of the Financial Times – perhaps following a long lunch with a city hack.

But today, communicating to investors is a very different beast. City analysts are now using a whole host of data beyond earnings, performance targets and other financial disclosures to form their recommendations to clients. This 'data' is increasingly derived from unexpected sources such as social media sentiment, employee reviews on sites like Glassdoor, and Google analytics – and even deploying nascent new technology like AI and machine learning to mine earnings calls and AGM transcripts for insightful information.

And this isn't just a sell-side trend either. A recent report by consultancy Greenwich Associates examined social media usage by institutional investors across the globe, finding that nearly 80% of institutional investors use social media platforms as part of their day-to-day work. But beyond just using social media as a handy research tool, it also often provokes action, for example:

Nearly half (48%) of the investors said information from social media prompted them to do additional research on an industry issue or topic.

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48% of investors said information from social media prompted them to do additional research on an industry issue or topic

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While a third (33%) said information obtained on social media triggered a discussion with their investment consultant.

Clearly, therefore the importance and resonance of social media goes far beyond consumer engagement metrics, such as "likes" or impressions. How a brand shows up on their owned channels, and what their stakeholders say on them, can build a complete picture of the overall value and perception of any given company – and potentially impact investment decisions.

As we've seen time and again in recent years, with everyone from airlines to car manufacturers to Silicon Valley giants suffering the same fate, reputation is often a key driver of corporate value and shareholder return. In the UK, it is estimated that 'reputation' alone is responsible for over £1 trillion of market capitalisation across FTSE 350 companies – according to the 2018 UK Reputation Dividend Report. This is up 8% on the previous year.

With Brexit uncertainty showing no signs of abating, a recent Edison research note indicated that analysts have been steadily softening their UK corporate earnings forecasts since August last year as market fundamentals become ever more challenging to predict. As such, investors may well be seeking refuge in brands with solid and well-earned corporate reputations that have stood the test of time – and in leaders who stand up to protect them.

But what shapes reputation?
FleishmanHillard's propriety "Authenticity Gap" study revealed that just half of perceptions and beliefs about a company are shaped by expectations of its products and services. The other half is influenced by information on the company itself, its culture, how it treats its staff, its attitude to social responsibility and more.

It stands to reason, therefore, that if reputation is becoming a more important driver of shareholder value, then a holistic approach to "investor engagement" is needed. This could be anything from CEO activism on social issues, to political engagement on regulatory matters, through to brand campaigns, digital engagement and campus recruitment programmes.

Ultimately, to deliver meaningful investor interactions in today's world, corporates need to look beyond traditional channels and incorporate an investor dialogue as part of holistic reputation campaigns, with an attitude that looks not only at value and risk – but considers the potential for growth.

So, to answer my original question, what does Instagram have to do with your investors? Well a lot, as it turns out.

Just like many other social media platforms, Instagram can be used by a research analyst – or indeed an algorithm – to uncover a plethora of insights about an organisation. This could range from brand strength and influencer reach through to things monitoring the escalation of a reputational crisis, the effectiveness of an employee engagement programme or how successful it is attracting the next generation of talent.

Collectively these can be put together to make a very informed assessment of a company or a brand – and perhaps its future – in a way that a balance sheet alone simply can't. So next time you see your company's Instagram account, spare a thought about what story it might tell an investor. LB

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