The Use of Social Media by European Investment Professionals

2017

Deutsche Vereinigung für Finanzanalyse und Asset Management
Executive Summary

- Most of the trends from the three previous surveys are confirmed, the usage and acceptance of social media is increasing steadily, albeit slowly.
- The majority of the respondents is still sceptical about the relevance of the information on social media platforms, but nevertheless they expect the importance of social media to increase (68%).
- Traditional business media online are (and remain) the most important information source (67%).
- Information posted on social media gained acceptance from the investment professionals over the last years.
- LinkedIn and Xing are the favoured social networking sites.
- Two thirds (69%) of the investment professionals would follow if companies start to use social media to engage with the investment community, even if 39% don’t expect companies to do so.
- If the respondents don’t meet in person, they prefer the dialogue via email.
Survey Background
For the 4th time DVFA (Society of Investment Professionals in Germany) and IR Club (The Investor Relations Community) invited European investment professionals to take part in an online survey running from 2 Nov. until 22 Dec. 2017. 104 respondents finished the complete survey with 16 questions.

Country split of the respondents:
- Germany: 92%
- Austria: 4%
- Benelux: 2%
- UK: 1%
- Switzerland: 1%
1. Statistic Data: I am ...

Most respondents are investors (30%) and analysts (25%).

- Institutional Investor/Asset Manager; 30%
- Equity Sell Side Analyst; 13%
- Equity Buy Side Analyst; 8%
- ECM/Corporate Finance/Investment Banking Expert; 7%
- Bond Analyst; 4%
- Asset Owner/Pensionfund Manager; 4%
- Others*; 34%

* = Advisor, Analyst, Banker, Consultant, IRO, Market Maker, Media, Portfolio Manager, Rating Advisor, Sales, SRI Analyst

Rounding differences may occur
2. Do you read postings on the following for company or business information?

71% see Social Media as at least partly important, but all other sources are seen as more important.
3. Which information sources have become more important to you in your job over the past years?

For 50% company websites became more important information sources, social media for 38%.
Comparison 2011 until 2017:

Which information sources have become more important to you in your job over the past years?

- **Real time subscription services**: 47%
- **Traditional business media in print**: 18%
- **Traditional business media online**: 67%
- **Company websites**: 50%
- **Social networking sites & blogs**: 38%
4. Please rate the following information sources according to whether they provide information which is useful for your investment decisions or recommendations.

69% see company websites at least as important, social media and blogs are seen as less important.
5. Do you post business or investment information in any of the following ways?

If investment professionals write posts they prefer social media, but they normally don’t write posts.

- Blogs: 13% Yes, 84% No, 3% Don’t know
- Social networking sites: 34% Yes, 64% No, 2% Don’t know
- Message boards: 11% Yes, 84% No, 5% Don’t know
6. Have you ever read any information posted on a blog or social networking site that has prompted you to investigate an issue further for your work?

44% of the respondents were prompted by blogs to make further investigations on an issue.
7. How do you consider the importance of information posted on social media in relation to other information sources (e.g. press releases, presentations etc.)?

63% consider the importance of traditional sources higher than the importance of social media.
Comparison 2011 until 2017:

How do you consider the importance of information posted on social media in relation to other information sources (e.g. press releases, presentations etc.)?
8. Which of the following social media platforms do you use (for professional reasons)?)

65% of the respondents use the business network platforms Xing and LinkedIn, 21% none of the mentioned.
Which of the following social media platforms do you use (for professional reasons)?

Comparison 2011 until 2017:

<table>
<thead>
<tr>
<th>Platform</th>
<th>2011</th>
<th>2013</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xing</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>65%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>65%</td>
</tr>
<tr>
<td>YouTube</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>29%</td>
</tr>
<tr>
<td>Twitter</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>Facebook</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>Google+</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>16%</td>
</tr>
<tr>
<td>SlideShare</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>FlickR</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td>None of the above</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>21%</td>
</tr>
</tbody>
</table>
9. On which of the following social media platforms would you like companies to communicate through?

Most of the respondents (42%) expect companies to communicate via LinkedIn.
10. **What types or items of company communication should be offered on social media platforms?**

56% of the respondents see social media as channels for information distribution.

<table>
<thead>
<tr>
<th>Type of Communication</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information (such as IR news, voting rights notifications, consensus, events, market environment)</td>
<td>56%</td>
</tr>
<tr>
<td>Dialogue with the company</td>
<td>47%</td>
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<tr>
<td>Dialogue with other shareholders or analysts</td>
<td>38%</td>
</tr>
<tr>
<td>Dialogue with the CEO/CFO</td>
<td>30%</td>
</tr>
<tr>
<td>Other</td>
<td>26%</td>
</tr>
<tr>
<td>None of the above</td>
<td>0%</td>
</tr>
</tbody>
</table>
11. If companies (CEOs, CFOs, IROs) were to use social media platforms to engage with the investment community, how likely would you use these channels?

For a majority (69%) the use of social media could be triggered if companies use it to engage.
If companies (CEOs, CFOs, IROs) were to use social media platforms to engage with the investment community, how likely would you use these channels?

Comparison 2011 until 2017:
12. Do you think that New Media such as blogs and social networking sites will play an increasingly important role in investment decisions in the future?

68% of the respondents see the importance of social media for investment decisions to increase.
Do you think that New Media such as blogs and social networking sites will play an increasingly important role in investment decisions in the future?

Comparison 2011 until 2017:

- Yes, definitely: 26% in 2011, 42% in 2015, 29% in 2017
- Yes, probably: 3% in 2011, 10% in 2013, 30% in 2015, 20% in 2017
- No, probably not: 4% in 2011, 40% in 2013, 37% in 2015, 20% in 2017
- No, definitely not: 3% in 2011, 3% in 2013, 3% in 2015, 3% in 2017
13. What are reasons why you have not used information from a social networking site in your job in the past year or so?

58% of the respondents are sceptical about the relevance of the information on social media platforms.

- Lack of relevance of information: 58%
- Do not find information valuable: 47%
- I do have sufficient information on hand: 45%
- Information not reliable: 44%
- Haven't signed up to social networking sites yet: 22%
- Company doesn't allow access to networking site: 19%
14. What hardware do you use?

Smartphones are the preferred hardware solutions (82%).

- Smartphone: 82%
- Desktop: 73%
- Notebook: 63%
- Tablet: 42%
- Virtual assistant*: 1%

* = e.g. Amazon Echo, Google Home

Rounding differences may occur.
15. What is your most frequently used communications medium?

If the respondents don’t meet in person, they prefer the dialogue via email.

Ranked from 1 to 4. 1 = most frequently used ... 4 = less frequently used or not used
16. How much time do you spend in the world wide web and in social media channels per day?

60% of the respondents spend more than 1 hour in the www and in social media per day.
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