The Use of Social Media by European Investment Professionals

2019
Executive Summary

- Most of the trends of the previous surveys have continued, the usage and acceptance of social media is increasing steadily.
- Information posted on social media gained further acceptance from the investment professionals.
- Nearly half of the respondents are still sceptical about the relevance, value and reliability of the information on social media platforms, but nevertheless they expect the importance of social media to increase (74%).
- Traditional business media online are (and remain) the most important information source (61%), but the lead gets smaller.
- LinkedIn and Xing are the favoured social networking sites, Twitter is the rising star of this year’s survey.
- Seven in ten (71%) investment professionals would follow if companies start to use social media to engage with the investment community.
- If a personal dialogue isn't possible, email is the preferred communication channel.
Survey Background

For the 5th 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 17 June until 23 August 2019. 99 respondents finished the complete survey with 15 questions.

Country split of the respondents:

- Germany: 92%
- France: 2%
- Benelux: 2%
- UK: 2%
- Switzerland: 1%
- Denmark: 1%
1. Statistic Data: I am ...

Most respondents are investors (39%) and analysts (24%).

- Institutional Investor/Asset Manager: 31%
- Equity Sell Side Analyst: 13%
- Asset Owner/Pensionfund Manager: 8%
- ECM/Corporate Finance/Investment Banking Expert: 6%
- Bond Analyst: 5%
- Others*: 31%

* Bond Trader, Business Analysis, CFO, Compliance Advisor, Consultancy, Coverage Banker, CPA, Credit Risk Management, Credit Trader, Family Office, Fixed income Sales, FX Sales, Institutional Sales, Investment Advisor, Investment Consultant, Investment Manager, IR Manager, Product Researcher & Advisor, Research/Media, Risk Management, Sales Asset Management, Structured Products Sales, Valuation and Accounting Expert

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

59% 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 61% traditional business media online became more important information sources, social media for 35%.
Which information sources have become more important to you in your job over the past years?

- Real time subscription services: 51% (2019)
- Traditional business media in print: 11% (2019)
- Traditional business media online: 61% (2019)
- Company websites: 41% (2019)
- Social networking sites & blogs: 35% (2019)
4. Please rate the following information sources according to whether they provide information which is useful for your investment decisions or recommendations.

68% see company websites at least as important, message boards 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 one in three prefers social media.
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?

47% of the respondents were prompted by social media 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.)?

60% consider the importance of traditional sources higher than the importance of social media.
How do you consider the importance of information posted on social media in relation to other information sources (e.g. press releases, presentations etc.)?

Comparison 2011 until 2019:

- **Lower importance**: 60% in 2011, 11% in 2017, 29% in 2019
- **Higher importance**: 0% in 2011, 10% in 2017, 2019
- **Same importance**: 0% in 2011, 30% in 2017, 2019
8. Which of the following social media platforms do you use (for professional reasons)?

62% of the respondents use the business network platform LinkedIn, 16% none of the mentioned.
Which of the following social media platforms do you use (for professional reasons)?

Comparison 2011 until 2019:

LinkedIn: 62% 55% 40% 34% 13% 11% 4% 0% 8% 16% 20% 2011 2013 2015 2017 2019
Xing: 55% 40% 34% 13% 11% 4% 0% 8% 16% 20% 2011 2013 2015 2017 2019
Twitter: 40% 2011 2013 2015 2017 2019
YouTube: 34% 2011 2013 2015 2017 2019
Facebook: 34% 2011 2013 2015 2017 2019
Instagram: 13% 2011 2013 2015 2017 2019
SlideShare: 13% 2011 2013 2015 2017 2019
FlickR: 11% 2011 2013 2015 2017 2019
Other*: 8% 2011 2013 2015 2017 2019
None of the above: 16% 2011 2013 2015 2017 2019

* = most often mentioned: Seeking Alpha
9. On which of the following social media platforms would you like companies to communicate through?

Most of the respondents (45%) expect companies to communicate via LinkedIn.
10. What types or items of company communication should be offered on social media platforms?

57% of the respondents see social media as channels for information distribution.

- Information (such as IR news, voting rights notifications, consensus, events, market environment): 57%
- Dialogue with the company: 48%
- Dialogue with other shareholders or analysts: 38%
- Dialogue with the CEO/CFO: 28%
- Other: 2%
- None of the above: 26%
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 (71%) 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 2019:
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?

74% 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?
13. What are reasons why you have not used information from a social networking site in your job in the past year or so?

46% of the respondents are sceptical about the relevance, value and reliability of the information.

- Lack of relevance of information: 46%
- Do not find information valuable: 46%
- Information not reliable: 46%
- I do have sufficient information on hand: 29%
- Haven't signed up to social networking sites yet: 20%
- Company doesn't allow access to networking site: 18%
14. What hardware do you use?

Smartphones are the preferred hardware solutions (84%).

- Smartphone: 84%
- Desktop: 70%
- Notebook: 60%
- Tablet: 47%
- Virtual assistant*: 4%

* = 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.

- Social Media: 3.4
- Instant messenger: 3.2
- Phone: 2.0
- Email: 1.3

ranked from 1 to 4. 1 = most frequently used ... 4 = less frequently used or not used
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