

JSE ignores social media as shareholder medium

FTI Consulting has just released research on the ability of JSE companies to use social media as a communication tool for its shareholders, revealing South Africa lags behind the UK in using Twitter as a medium for releasing financial results.

According to the research, only 25% of the JSE's top 40 companies by market capitalisation are using Twitter to share financial results; 42% of the JSE top 40 don't use Twitter at all; and 52% of their UK counterparts use Twitter to share their financial results.



Using social media platforms

Max Gebhardt, Managing Director and South Africa Head in the Strategic Communications segment of FTI Consulting, said, "At a time when investors say they find digital communication more insightful and more motivating than traditional communications, South African firms aren't adapting to and using contemporary communication channels to speak to their stakeholders.

"There is also very little uptake by South African corporates in using other digital media platforms such as LinkedIn, Facebook and YouTube with which to bring their corporate stories to life. They are, as a result, losing share of voice and their communications remain analogue in a digital world."

According to the South Africa Social Media Landscape 2014 research study, by World Wide Worx and Fuseware, Twitter saw the highest percentage growth among the major social networks, from 2.4 million to 5.5 million, showing 129% growth in 12 months.

The research shows that the best JSE users of Twitter also employ a variety of social media platforms to communicate information directly to stakeholders regarding their financial and corporate performance. A minority use hashtags effectively when communicating their financial results to provide context to the numbers. However, many JSE companies that have a Twitter handle are not using it to its full potential.

Twitter not only for distributing releases

"Our research found that the majority of those companies that do have a Twitter handle use the social media platform merely as a distribution network, tweeting links to a static, text-heavy press release on their websites. These companies are failing to appreciate that Twitter is not a medium for distributing press releases, but a platform to engage in discussions."



According to the research, the JSE companies that use Twitter the most to share financial results are:

- Anglo American
- Anglo American ZA
- Bidvest
- Discovery
- Exxaro Resources
- Growthpoint
- Intu Group
- Investec
- Mediclinic
- Naspers
- SABMiller

- Sanlam

"This new form of communication presents a whole different set of challenges and opportunities for a business, but it can't be ignored. Customers use it. Investors use it. Employees use it. Potential new employees use it. Journalists use it. In addition, there is a good chance that some or all of these stakeholder groups are using social media to discuss your business. The ability to engage in these discussions is becoming increasingly important for the business community," Gebhardt concluded.

[View the report \(pdf\)](#)

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