Social Media 101 for the Capital Markets

written by Tracy Hughes | May 10, 2023

Members of the professional and capital markets ask me every day **#whatworks** in social media towards achieving effective market valuation with their publicly-listed companies. Few to none want to do the work. They want to hire someone, and they often extend this role to the junior part-time member of the company with no experience in writing, capital markets, or even – social media.

As with everything in life, you must do social media right from the onset or the damage can be irreparable. And equally as important (of course) is to ensure that when you market a public company via social media you're erring on the side of compliance at every turn.

I remember when social media started. Firms out of Texas would charge US$10k a month, but here's what we had right in the early days, an understanding that a great social media professional must be a great writer. But how many great writers have legal training and experience in the public market? Throw in tech-savvy, and well, over the years, many just gave up.

Today, believe it or not, social media for public markets is quite easy if you follow some simple rules:

1. Only publish News Releases.
2. Do not comment on share price or retweet anything at any time as a company unless you're a partner with the company, and again – it's a news release.

This morning, when I was meeting with a capital markets client,

I decided, if I am going to write this down for him, why not share it with everyone? So here is my professional advice on how to deploy the minimum social media standards for your company online because you cannot be a public company and not have social media.

Why you ask? **The real reason why social media is an absolute must is for emergencies.** Social media is the only way to distribute news instantaneously and I have seen over the years, some extraordinary cases whereby the social media account may have saved the company. Misinformation is spread in real-time, and to counter these issues, one must be prepared.

The 1st thing you must have in the capital markets is a Twitter and LinkedIn account for your company. You must also make sure that the CEO has a LinkedIn profile. This is the absolute minimum as most shareholders when doing due diligence on a company, take the time to review the background of the CEO.

And where do investors go to review a CEO's background or the management team's background? Yes, LinkedIn.

Here are the minimum requirements you need to have a social media presence in the capital markets. You must have:

1. Twitter for Company
2. LinkedIn for Company
3. LinkedIn for Company CEO

Then the strategy is simple.

1. **Sell Line.** Make sure the sell line you use to describe your public company is the same in your Twitter account as it is in your LinkedIn account. A sell line should be 5-7

words and quickly alert the viewer to what your company does or offers. A sell line should never be more than 7 words. While Nike is most famous for “Just Do It”, I recommend you select a sell line that integrates your SEO words. For instance, if you’re a gold company, you should include gold. If you’re a nanotech company, you should use nanotech.

2. **Add Trading Symbols:** It amazes me how irregularly I see trading symbols on a capital markets’ Twitter or LinkedIn account. Publish exactly like you do on a news release, so if your Jane Doe Corp. (NASDAQ: DOE | TSX: DOE), then publish it the way I just did and/or you may use the “$” prior to the symbol, but I urge you not to unless you get it right. For instance, a CSE-listed company would be $DOE.C.
3. **Logo**. Use the same logo on both Twitter and LinkedIn. You would be surprised how few people do this.
4. **Banner Ads.** Make sure that your Company Sell Line and Trading Symbol are displayed prominently on your banner ads. For Twitter, the banner ads are 1500×500 pixels and for LinkedIn, they are 1128×191 pixels.
5. **Trading Symbols.** Make sure that your trading symbols are prominently displayed on the banner ads on both Twitter and LinkedIn.
6. **About Lines.** The ‘About’ section in Twitter and LinkedIn are both approximately 12-15 words. Make sure that they are the same.
7. **Add Twitter and LinkedIn logos to your website.** There, you’re set up.

Now what do you post? This is where a lot of public companies get into trouble. If you’re short-staffed, create a social media protocol that reflects your schedule and need to stay active without driving your legal bills north.

What do you do?

Keep it simple and only publish your news releases within 1-hour of releasing your news through an authorized distributor. Publish the title and add a hashtag (#) before the keywords. So, if you're an EV company, you would simply add a hashtag before EV, so you would write #EV.

Please ensure that you publish your news release within an hour of release and publish it the same way on both Twitter and LinkedIn.

I am certain you're saying: is that it?

Almost, but you're not quite there. To secure interest in your story, this is where someone must do some work. And allow me to explain what this means, 1 hour in front of the television with a glass of wine. Ask yourself, who do I want to read my news? If you're a biotech company, make sure you're following your favorite biotech journalists. You're in the capital markets so follow the media you want following you. You cannot expect people to find you if you're hiding.

And do not forget the fin-fluencers! You're a public company, which means you need to follow the movers and shakers online who can draw attention to your news. After all, this is the point of this practice. You're public, which means – you need an audience.

Stepping sideways for a moment, I was reviewing a company's social media the other day, and thought – "what is going on here?" It took me 5-minutes to discover that they had hired a social media company that handles restaurants doing their social media. There is nothing wrong with this if the professional offering the services has experience in the public markets, but in this case, it was clear by their website and work, they did

not.

When you’re interviewing someone, ask them “What time does the stock market open?” You will be quite displeased by how few can answer this question. Frankly, I think all companies should be able to easily do this themselves because once you have the infrastructure set up, it takes less than 5 minutes to distribute. This said this process can help you ascertain if you can trust the service provider as there is nothing wrong with the answer: “I do not know.” At least this professional, you can work with.

Now, don’t get me wrong – you can go to town on social media, and do everything from a metaverse account to a YouTube channel; but today, I am sharing with you the minimum that you need. And to help you see that it is important to have, easy to set up, and relatively easy to do when set up right.

As always, we wish everyone the best in the public markets.