

2017 Cass Business School and CeFARR conference

Location: 200 Aldersgate, Cass Business School Executive Education

15th September 2017

***“Corporate communication through social media, financial portals
and corporate pages—trends, challenges and the future”***

Programme of the conference

7:30-8:25 Registration and refreshments (pastries & coffee)

8:25-8:30 Welcome, **Pawel Bilinski**, *Cass Business School*

Session 1 session Chair: Dr Pawel Bilinski

8:30-9:00 **Sue Winston**, *Aviva*

9:00-9:30 **Mark Flanagan**, *Portland*

9:30-10:00 **Theo Hildebrand**, *Finsbury*

10:00-10:30 Coffee break

Session 2 session Chair: Dr Ivana Raonic

10:30-11:00 **Ant Moore**, *FTI Consulting*

11:00-11:30 **Alberto Lopez-Valenzuela**, *Alva*

11:30-12:00 **Phil Ryan**, *Brunswick*

12:00-1:00 Lunch

Session 3 session Chair: Dr Art Kraft

1:00-1:30 **Miles Gietzmann**, *University Bocconi*

1:30-2:05 **Eli Bartov**, *NYU Stern School of Business*

2:05-2:40 **James P. Ryans**, *London Business School*

2:40-3:15 Coffee break

Session 4 session Chair: Dr Andrew Yim

3:15-3:50 **Joshua M. Madsen**, *University of Minnesota*

3:50-4:25 **James Thewissen**, *KU Leuven*

4:25-5:00 **Zhongwei HUANG**, *Cass Business School*

5:00-5:35 **Ariela Caglio**, *University Bocconi*

5:35-5:40 Summary, **Ivana Raonic**, *Cass Business School*

5:40-6:30 Light dinner

Morning presentations

(8:30am – 12:00)

A 321-year old disruptor

Sue Winston, Aviva

With over 300 years of heritage, Aviva plc was not naturally the first company most people would have described as a digital leader. But, following the arrival of a new CEO four years ago, Aviva began to transform itself into a 'digital first' business – including a digital focus on how the organisation communicates with retail investors and other corporate audiences. Drawing on Aviva's experiences over the past two years, Sue Winston will talk about some of the communication challenges and opportunities that this digital transformation has presented.



Sue is corporate digital lead at Aviva plc. Sue's role is to ensure that Aviva's corporate story is communicated well online, including through Aviva's corporate website, annual report, corporate social media, broadcast and film. Sue previously worked in in-house teams in the luxury goods and professional sectors, and in a small PR consultancy in the charity sector, before joining the Aviva (then Norwich Union) press team in 1997.

Corporates as publishers

Mark Flanagan, Portland

Investors can easily look up accounting numbers on Bloomberg, however, they are increasingly interested in the story behind the numbers, e.g., how the recent EPS fits into the corporate strategy and what it means for the future. Corporate communication needs to respond to this demand and the key is an engaging, timely and relevant content. To achieve this goal, corporations are becoming content publishers: they develop and broadcast a consistent corporate message via multiple channels. Engaging with the corporate audience in this way serves two purposes: (1) the corporate message engages and informs, and is available when and where the audience needs it; and (2) it allows the firm to be in charge of the corporate message rather than letting others shape the message.

Mark is a Managing Director at Portland, a strategic communications consultancy set up in 2001 by Tim Allan, a senior adviser to Tony Blair. Mark heads the corporate, health, content and insight teams at Portland and advises a range of corporate, charity and government clients. He joined from Downing Street where he was head of strategic communications, working for the Labour and Coalition Governments. Mark was Managing Director of LBC radio from 2002 - 2005.

Financial reporting in the digital age

Theo Hildebrand, *Finsbury*

Successful corporate leaders understand the importance of financial results announcements. Under scrutiny from analysts, media and investors, the numbers can make or break a management team. Getting expectations right is critical but impossible without the right message, processes and relationships. Digital and social media can be a real benefit but requires a detailed understanding of different audiences, the information they need and the channels they favour, as well as the courage to try new things when the stakes are at their highest.

Theo has over a decade of communications experience advising corporate, government and non-profit organisations. He leads Finsbury's Digital Team in London, supporting clients with digital strategy, content creation and crisis management. He joined Finsbury in November 2009, helping to grow its Middle East and Africa operations, and has experience of a wide range of industries and financial transactions. Prior to joining Finsbury, he held communication roles in London for Citi and Maggie's Cancer Caring Centres.

Using paid-for media to support corporate communications

Phil Ryan, *Brunswick*

Faced with the demise of organic reach, how do corporate communicators reach an audience at scale when using digital channels? This presentation will look at how the use of paid-for tactics can be employed to support a digital communications strategy.

Phil is a director at Brunswick, specializing in digital and social communications. His skills and experience are based on over 15 years of advising clients on the best use of digital and social channels, working for agencies here in the UK, as well as time spent in the UAE market. Prior to joining Brunswick he was head of digital for Laing O'Rourke giving him invaluable in-house experience both in terms of devising an external strategy for the business, as well as using digital for employee engagement and internal communications. As well as an in-depth understanding of digital and social communications he has a number of years working alongside designers, producers and developers to build digital assets, such as websites, applications and video content on behalf of his clients.

Overcoming the social divide

Ant Moore, *FTI Consulting*

Companies are sharing more and better financial results-related content on social media and are receiving higher levels of engagement year on year. Stakeholder appetite for receiving digital and social communications on financial performance matters is on the rise, and companies must respond accordingly, adopting tools and techniques to extend the longevity of their communication content, increase the appeal of their posts and fully leverage the communities they are targeting.

Ant is a Partner and the Head of Digital for EMEA at FTI Consulting. He works with FSTE 100 and large corporate clients to design effective online reputation management strategies, covering strategy and governance, issues and crisis communications, influencer identification and outreach, content and channel planning. Ant is the author of 'A Social Divide in the City, an annual performance index and review of the social media activity around financial communications of the FTSE 100.

The Art of Quarterly Results: What Can Communications Control?

Alberto Lopez-Valenzuela, CEO and Founder, *alva*

The Quarterly Results Announcement is one of the most scrutinised events in a firm's annual calendar and typically involves a substantial investment of time, resources and coordination from the Communications and Investor Relations teams - all culminating in a detailed strategic report. But once the information is made publicly available, how much control can Communications truly have on how their announcement is perceived and then amplified by the media, industry analysts, the breadth of online commentators and of course their core stakeholder and investment community? Do the results simply speak for themselves, or is there an art to the way in which communications are handled?

Alberto is a respected expert on the topic of Reputation Intelligence, and has worked in the business analytics and information industry for the last 20 years. Through *alva*, Alberto has helped many of the world's leading companies to harness the insights of Reputation Intelligence and link that intel to business metrics. Prior to founding *alva*, Alberto held senior management roles at Datamonitor and Cision. He is a regular speaker on corporate reputation and stakeholder risk management and a Visiting Professor at Cass Business School. Alberto earned a first class BA (Hons) in Media Management from University of the Arts London and an Executive MBA from Cass Business School.

Afternoon presentations (1:00pm – 5:35pm)

Overview of Research on Communication of Textual Sentiment in Financial Markets

Miles Gietzmann, University Bocconi

Medium to large firms have internal staff or external consultants (PR and IR) that manage communication (corporate disclosure) about the firm over and above what is required by statutory financial accounting standards. In most cases this additional information is intended to affect the perceptions of the company held by investors. In the research literature the study of the specific textual narrative used in practice for this purpose is studied under the heading of analysis of textual sentiment. The role of this review is to summarize and appraise the findings from this literature and suggest future directions for research and development of applications for practice.

Can Twitter Help Predict Firm-Level Earnings and Stock Returns?

Eli Bartov , NYU Stern School of Business

Lucile Faurel, Arizona State University

Partha S. Mohanram, University of Toronto - Rotman School of Management

Prior research has examined how companies exploit Twitter in communicating with investors, and whether Twitter activity predicts the stock market as a whole. We test whether opinions of individuals tweeted just prior to a firm's earnings announcement predict its earnings and announcement returns. Using a broad sample from 2009 to 2012, we find that the aggregate opinion in individual tweets successfully predicts a firm's forthcoming quarterly earnings and announcement returns. These results hold for tweets that convey original information, as well as tweets that disseminate existing information, and are stronger for tweets providing information directly related to firm fundamentals and stock trading. Importantly, our results hold even after controlling for concurrent information or opinion from traditional media sources, and are stronger for firms in weaker information environments. Our findings highlight the importance of considering the aggregate opinion in individual tweets when assessing stocks' future prospects and value.

Discussant: Dr Christina Dargenidou, University of Exeter

Investor Reliance on the Crowd

Alastair Lawrence, Haas School of Business, University of California at Berkeley

James P. Ryans, London Business School

Estelle Y. Sun, Questrom School of Business, Boston University

Akshay Soni, Yahoo! Research

Using Yahoo Finance search data, we document that when investors search for investment information they by far and large rely on the information of crowds. The results indicate that this reliance significantly varies across industries, and is most pronounced in firms with greater uncertainty and weaker information environments. Moreover, significant increases in the reliance on message boards consistently predict future negative stock returns and increases in information asymmetry, suggesting that investors' increasing reliance on crowds provides insights into their' expectations of firm performance and future sell-offs.

Discussant: Dr Stefano Cascino, London School of Economics

Is Investor Attention for Sale? The Role of Advertising in Financial Markets

Joshua M. Madsen, University of Minnesota - Twin Cities - Carlson School of Management

Marina Niessner, Yale School of Management

Using daily advertising data we document that print ads, especially in weekend business publications, cause an increase in Google searches for company tickers, suggesting that ads draw investor attention to firms' financial information. We further find that ads by companies with significant retail-investor ownership trigger increased share turnover on the day of the ad but do not have an effect on the firms' stock price. Our results contrast with findings in prior papers which use lower frequency advertising data. Daily data allow us to control for reverse causality and several potentially omitted variables, suggesting that endogeneity may be responsible for some of the results in prior literature on advertising and financial markets.

Discussant: Professor Khaled Hussainey, Portsmouth Business School

Jockeying for Position in CEO Letters: Impression Management and Sentiment Analytics

Kris Boudt, Vrije Universiteit Brussel (VUB); VU University Amsterdam

James Thewissen, KU Leuven - Faculty of Business and Economics (FEB)

This paper evidences the strategic positioning of positive and negative words within a CEO letter as a subtle form of impression management. We find that managers tend to present information in such an order that the reader of the CEO letter has a more positive perception of the underlying message. We uncover a smile in the frequency of positive words within the letter, and a half-smile in the intratextual distribution of negative words, with a prevalence of negative words at the beginning of the letter. We propose sentiment analytics that can compensate for the strategic management of narrative structure and find that the proposed position weighted sentiment has more predictive power for the firm performance over the next year.

Discussant: Dr Vasiliki Athanasakou, London School of Economics

Economic Consequences of Hiring Wall Street Analysts as Investor Relations Officers

Zhongwei Huang, Cass Business School, City, University of London

Rucsandra Moldovan, John Molson School of Business, Concordia University

This paper presents empirical evidence on the economic consequences associated with the recent trend of hiring sell-side financial analysts as investor relations officers (IRO). We use a unique, manually-collected dataset of the employment history of IROs. We find that after changing to an IRO with analyst experience, compared to changing to an IRO without analyst experience, the information environment of the company improves in terms of analyst coverage, analyst forecast errors, number of institutional investors, percentage of institutional ownership and stock liquidity. These results have practical implications for managers and investors, as well as for current or former financial analysts.

Discussant: Prof Gilad Livne, University of Exeter

Does new corporate disclosure add value? Textual attributes and assurance of integrated reporting

Ariela Caglio, University Bocconi

Gaia Melloni, University Bocconi

Paolo Perego, University Bocconi

The Integrated Reporting (IR) Framework of 2013 represents the latest international attempt to connect in one company report a firm's financial and non-financial performance. This emergent approach is a relevant shift from existing reporting practices, which generally involve the production of financial statements in accordance with accounting standards and a separate, mostly voluntary, stand-alone sustainability/non-financial reporting. In this study, we examine the alleged market-based benefits associated with the adoption of IR in the context of South Africa where it is mandatory since 2011. We specifically document the relationships between various capital market effects and textual characteristics of IR. We additionally explore the role of external assurance on IR as credibility-enhancing mechanism for this new form of corporate communication.

Discussant: Dr Jay Jung, Cass Business School

Participants and networking:

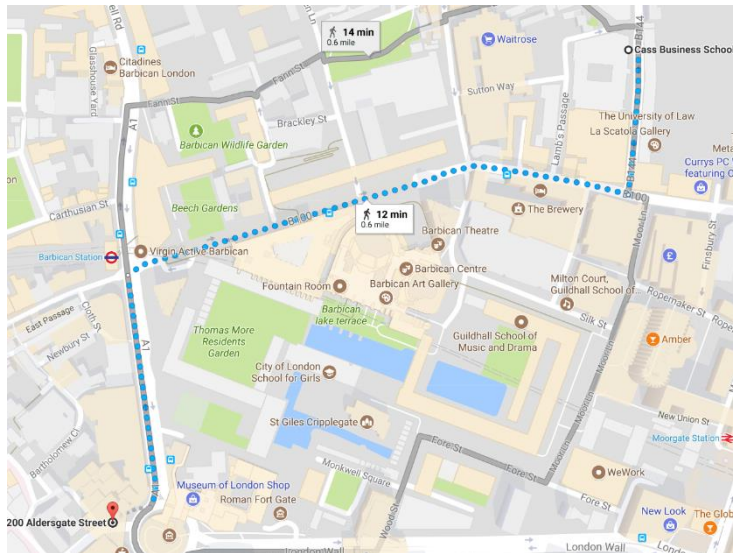
The conference will bring together:

- (1) PR, Investor Relations and Corporate Reputation executives
- (2) Academics working in the field
- (3) Investors and research departments focused on the use of social media and financial portal's information for investment purposes.

We expect a large number of professionals and academics from around the UK, Europe and the US. Networking opportunities during breaks and drinks in the evening.

Date and place:

The conference will take place at **200 Aldersgate, EC1A 4HD London, Cass Business School Executive Education**, on 15.09.2017. Cass Business School Executive Education is 12 min on foot from Cass Business School and is located close to St Paul's Cathedral. Closest Underground stations are "St Paul's" and "Barbican". You can check bus/underground connections to the venue on www.tfl.gov.uk



Please book your place at <http://www.cass.city.ac.uk/news-and-events/events>. The conference tweeter hashtag is **#CEFARR2017**.

For further details, please contact the Centre for Financial Analysis and Reporting Research (CeFARR, cefarr@city.ac.uk).

Sponsors

Centre for Financial Analysis and Reporting Research (CeFARR)

CeFARR works in collaboration with practitioners to develop cutting-edge research, tailored consulting and specialised training in the areas of corporate communication, corporate disclosure, audit, financial reporting, security valuation, and financial intermediation.

<http://www.cass.city.ac.uk/faculty-and-research/centres/cefarr>



alva's purpose:

We make a positive contribution to society by helping Businesses connect better with their stakeholders to create tangible and long-term value

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Communicate is a trade magazine dedicated to the UK corporate communications community. "The single voice for stakeholder relations", Communicate's focus is on how companies engage with their stakeholders: the press, investors, employees, regulators, the supply chain and the communities in which they operate.

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We look forward to seeing you at the conference!

The organizers.

Dr Pawel Bilinski and Dr Ivana Raonic