

The Web and the Corporation: A Survey

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A statistical survey¹ of 99 S&P 500 web sites reveals that few corporations are using the latest media or technologies or taking opportunities to inform users in depth. In fact, there appears to be an accepted presentation format on corporate web sites that leans more toward investor relations than to corporate communications. Only a few corporations used so-called Web 2.0 media and these were mostly technology companies. This raises questions about how well companies are exploiting the internet to explain themselves, their industries and their issues.

The survey looked for the use of text perspectives or industry reports that would help readers place a company in context. It searched for blogs, video of company executives (even if these were from presentations stored on the site), e-mail alerts or RSS news feeds and media kits. (These were defined as information kits about company apart from the “About” section or fact sheets.) The survey also documented podcasts or MP3 files, the presence of a multimedia gallery (defined as photos of the company, its executives, video or audio files), the existence of web presentations or forums and the use of active price quotes or charts tracking a company’s financial performance.

Results

The survey focused on corporate communications and not on marketing or product presentations. In some cases, marketing was the dominant content with information about a company subordinated. In extreme cases, it was difficult to find information on the company because the “About” or investor link had been placed out of sight at the bottom of the page or in an unusual location. (E.G. See <http://autonation.com> or <http://www.biglots.com>)

Some sites were so poorly organized from a corporate communications perspective that it required extensive searching to determine whether survey elements were present.

- **Text perspectives and industry reports.** 17 percent of the sites examined used text perspectives and industry reports to give users a larger view of their markets. Most stick closely to company descriptions

¹ The survey of 99 randomly selected web sites from the S&P 500 list of US corporations was completed in December, 2007. The survey used a random starting point on the S&P 500 list and chose every fifth name from the random starting point. Each web site was examined using a list of technologies and information resources. A list of web pages analyzed is attached.

that do not allow users to get a global understanding of the context in which the companies operate. It is understandable that multi-business companies might find it too cumbersome and confusing to provide perspectives on multiple industries, but maintaining a narrow view appeared to be the intent of most web sites.

- **Blogs.** Eight percent of sites examined used corporate blogs. Blogging does not appear to have matured as a corporate communications vehicle. There are many possible reasons for this – no perceived need for blogging, no time for it and fear of what might happen when blogging. The few companies with blogs are mostly technology firms.
- **Video of executives:** Eight percent of sites examined supplied video of executives, and this figure included presentations stored on the web site from investor and employee conferences and other speeches. This was surprising in light of the success of web sites such as YouTube (<http://youtube.com/>). Video personifies a company and allows executives to deliver key messages. Since video is not a new technology – nor the online storage of it --, it is odd that the percentage of video users is so low.
- **E-mail Alerts or RSS newsfeeds.** 83 percent of sites examined featured e-mail alerts or RSS newsfeeds. However, an overwhelming number of sites employ e-mail only: RSS is a minimal player. The most common purpose for an e-mail alert was for investor relations to reach shareholders and analysts quickly. Featuring e-mail alerts or of RSS in press relations sections of web sites was rare. There are at least two possible reasons for this. The investor relations section of a web site substitutes for the press relations section, or PR practitioners may be keeping this feature off-line to control information flow. However, it appears that PR practitioners are missing an opportunity to get corporate and product messages out by not including e-mail press alerts and/or RSS feeds in media sections of web sites.
- **Corporate media kits.** These are defined as in-depth explanations of the corporation – e.g., a text backgrounder on the company with photos, videos, audio and other materials packaged in a conveniently downloadable format. 27 percent of companies used something approaching a corporate media kit. The majority used short fact sheets or text statements about the corporation in the “About” section of the web page. PR practitioners are missing a valuable opportunity to explain their companies greater detail by neglecting to develop easily accessible information packets about their companies. On the other hand, there were more web sites that provided product and service press kits in easily accessible formats such, as Adobe pdfs. This

appears to have been more of a marketing choice than a corporate communications decision.

- **Podcasts.** 11 percent of sites offered either podcasts or MP3 audio files. Most of these were related to recorded investor relations teleconferences or investor events. It appears that PR practitioners are missing an opportunity provide more information about their companies, products and services through audio. One would expect that speeches by company executives would be deposited on web sites for listeners. For the most part, they are not. Web sites tend to be text-reliant.
- **Multimedia gallery.** This was defined as a gallery of corporate images in addition to product images, as well as audio and video in a single and convenient location where users and media could access them. 17 percent of web sites examined used a multimedia gallery. This too was a surprising result. Most corporations have archives of photos, videos and audio that are informative and useful in telling their stories. There is no reason why these are not posted to web sites in order to explain companies in greater detail to the media and other users. There are a number of possible reasons why it hasn't been done, including chaotic archives that are incomplete and not easily transferable, a lack of a perceived need for such material on a web site, and an inability of PR practitioners to get a multimedia gallery built because web sites are not under their control. In any event, it appears corporations are missing an opportunity to tell their stories in multimedia.
- **Web presentations or forums.** Nearly all of these were investor-oriented and were webcasts associated with quarterly earnings. 81 percent of web sites provided access to investor webcasts or stored previous webcasts on their sites for users to access. The use of webcasts was inconsistent. Some companies store all investor webcasts on their sites during a calendar or fiscal year. Others store only the most recent webcast. Still others make provisions for a webcast but do not store previous webcasts, or make them available only for a limited time after an event. There is no reason why a company should not make webcasts and forums a permanent record on a web site. It is part of the information that provides users and shareholders a better understanding of the corporation and its prospects. It was clear from the survey, however, that webcast availability is an investor relations decision. PR has little to do with it. It appears there is an opportunity for PR to provide access to forums and events outside of quarterly and annual earnings teleconferences. This will require setting up the machinery to get webcasts done or recording events to post discussions online.

- **Active price quotes and charts:** 85 percent of web sites examined use active stock price quotes with a 20-minute delay. This is clearly an investor relations decision and function. There was less use of active charts, such as Google or Yahoo use in their financial sections, to help users track a stock over a period of time. It appeared that active price quotes were placed on sites because it is easy to do. It would be as easy to link users to either Google or Yahoo where they can get more detailed and dynamic information about a company. It is surprising that none of the companies examined did this. It may be that there is a desire to keep users on their own web site rather than sending them away. However, the bulk of active price quotes were adequate at best by comparison to information posted on Google and Yahoo. It appears there is an opportunity here for investor relations specialists.

Overall, investor relations sections of the web pages were better developed than media relations or “About” pages. There was a clear difference among web pages that are marketing-driven and those that are corporate-driven. Marketing-driven pages bury information about the corporation under an “About” heading, usually at the bottom of the opening page where it is not readily visible. At least one corporation located investor information under the “About” section as well.

There appears to be a way to go before corporations adopt new media and a more transparent approach to internet users who want to learn more about who the companies are and what they do. This is an opportunity for PR practitioners, but it means they will have to engage the bureaucracy surrounding the development and maintenance of the corporate web page.

Are they up to it?

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Company Web Pages

ACE Limited, P&C Insurance: <http://www.ancelimited.com>

Affiliated Computer, Data processing/outsourcing: <http://www.acs-inc.com/>

Allegheny Technologies, Inc., Steel: <http://www.alleghenytechnologies.com/>

Altria Group, Inc., Tobacco: <http://www.altria.com/>

American Express, Consumer finance: <http://home3.americanexpress.com/cor>

Amgen, biotechnology: <http://www.amgen.com/>

Apache Corporation, Oil & Gas Exploration, production: <http://www.apachecorp.com/>

Applied Materials, Semiconductor Equipment: <http://www.appliedmaterials.com/>

AT&T, Integrated Telcom Services: <http://www.att.com/>

Autonation, Automotive retail: <http://autonation.com/>

Avaya, Inc., Communications Equipment: <http://www.avaya.com/>

Bank of New York Mellon, Asset Management & Custody Banks: <http://www.bnymellon.com/>

Bear Stearns, Investment banking & Brokerage: <http://www.bearstearns.com/>

Big Lots, Inc. General Merchandise Stores: <http://www.biglots.com/>

BJ Services, Oil & Gas equipment and services: <http://www.bjservices.com/>

Boston Properties, Office REITS: <http://www.bostonproperties.com/site/in>

Brunswick Corp., Leisure products: <http://www.brunswick.com/>

Carnival Corp., Hotels, Resorts & Cruise lines: <http://www.carnival.com/>

CBS Corp., Broadcasting & Cable TV: <http://www.cbscorporation.com/>

CenturyTel, Integrated Telecommunications Services: <http://centurytel.com/>

Chubb Corp. Property & Casualty insurance: <http://www.chubb.com/>

Cisco Systems, Inc., Communications Equipment: <http://www.cisco.com/>

Clorox Co., Household Products: <http://www.thecloroxcompany.com/>

Colgate-Palmolive, Household Products: <http://www.colgate.com/app/Colgate/US>

Compuware Corp., Application Software: <http://www.compuware.com/>

Constellation Energy Group, Independent Power Producers and Energy Traders:
<http://www.constellation.com/portal/site/>

CSX Corporation, Railroads: <http://www.csx.com/>

Dell Inc., Computer Hardware: www.dell.com

Donnelley (R.R.) & Sons, Commercial Printing: <http://www.rrdonnelley.com/wwwrrd/Home>

DTE Energy Co., Multi-Utilities: <http://www.dteenergy.com/>

Duke Energy, Electric Utilities: <http://www.duke-energy.com/>

Ecolab Inc., Specialty chemicals: <http://www.ecolab.com/>

Embarq Corporation, Integrated telecommunications Services: <http://www.embarq.com/>

EOG Resources, Oil & Gas Exploration: <http://www.eogresources.com/home/ind>

Estee Lauder Cos., Personal Products: <http://www.elcompanies.com/>

Federated Investors Inc., Asset Management & Custody Banks:
<http://www.federatedinvestors.com/>

First Energy Corp., Electric Utilities: <http://www.firstenergycorp.com/index.ht>

FPL Group, Electric Utilities: <http://www.fplgroup.com/>

Freeport-McMoRan Copper, Diversified Metals and Mining: <http://www.fcx.com/ir/index.htm>

General Electric, Industrial conglomerates: www.ge.com

Genzyme Corp. Biotechnology: <http://www.genzyme.com/>

Google, Internet software and services: www.google.com

Harrah's Entertainment, Casinos and Gaming: <http://www.harrahs.com/>

Hess Corporation, Integrated Oil & Gas: <http://www.hess.com/>

Hospira Inc., Health Care Equipment: <http://www.hospira.com/>

IMS Health Inc., Health Care Technology: <http://www.imshealth.com/>

Intel Corp., Semiconductors: <http://www.intel.com>

Interpublic Group, Advertising: <http://www.interpublic.com/>

Janus Capital Group, Asset management & Custody Banks: <https://ww4.janus.com>

KB Home, Homebuilding: <http://www.kbhome.com/>

Kimberley-Clark, Household Products: <http://www.kimberly-clark.com/>

Kroger Co, Food Retail: <http://www.thekrogerco.com/>

Leggett & Platt, Home Furnishings: <http://www.leggett.com/>

Limited Brands, Inc., Apparel Retail: <http://www.limitedbrands.com/index.jsp>

Loews Corp., Multi-line Insurance: <http://www.loews.com/loews.nsf/home.h>

Marshall & Ilsley Corp., Regional Banks: <http://www.mibank.com/>

McDonald's Corp., Restaurants: <http://www.mcdonalds.com/>

Medtronic, Health Care Equipment: <http://www.medtronic.com/>

MetLife Inc., Life & Health Insurance: <http://www.metlife.com/>

MGIC Investment, Thrifts & Mortgage Finance: <http://www.mgic.com/index.html>

Molex, Electronic Manufacturing Services: www.molex.com

Morgan Stanley, Investment Banking & Brokerage: <http://www.morganstanley.com/>

National OilWell Varco, Inc., Oil & Gas equipt and services: <http://www.nov.com/>

Newmont Mining Corp., Gold: <http://www.newmont.com/en/>

NICOR Inc., Gas Utilities: <http://www.nicor.com/>

Norfolk Southern Corp., Railroads: <http://www.nscorp.com/nscportal/nscorp>

Nucor Corp., Steel: <http://www.nucor.com/>

Oracle Corp., Systems software: <http://www.oracle.com/index.html>

Patterson Cos. Inc., Healthcare distributors: <https://www.pattersoncompanies.com/>

PepsiCo Inc., Soft drinks: <http://www.pepsico.com/index.cfm>

Pitney-Bowes, Office services and supplies: <http://www.pb.com/>

PPG Industries, Diversified Chemicals: <http://corporateportal.ppg.com/ppg/>

Principal Financial Group, Life & Health Insurance: <http://www.principal.com/>

Prudential Financial, Life & Health Insurance: <http://www.prudential.com/view/page>

QUALCOMM Inc. Communications Equipment: <http://www.qualcomm.com/>

Raytheon Co., Aerospace & Defense: <http://www.raytheon.com/>

Rockwell Collins, Aerospace & Defense: <http://www.rockwellcollins.com/>

Sara Lee Corp., Packaged Foods and Meats: <http://www.saralee.com/>

Sears Holdings Corporation, Department stores: <http://www.searsholdings.com/>

SLM Corporation, Consumer finance: <http://www.salliemae.com/>

Smith International, Oil & Gas Equipment & Services: <http://www.smith.com/>

Sovereign Bancorp, Thrifts & Mortgage Finance: <http://www.sovereignbank.com/>

Staples Inc., Specialty stores: <http://www.staples.com/>

Stryker Corp., Health Care Equipment: <http://www.stryker.com/>

Symantec Corp., Systems Software: <http://www.symantec.com/>

Temple-Inland, Paper packaging: <http://www.templeinland.com/>

Textron Inc., Industrial Conglomerate: <http://www.textron.com/>

Time Warner Inc., Movies and entertainment: <http://www.timewarner.com/>

TJX Companies Inc., Apparel Retail: <http://www.tjx.com/index.html>

Tyson Foods, Packaged foods and meats: <http://www.tyson.com/>

United Health Group Inc., Managed Health Care: <http://www.unitedhealthgroup.com/>

Unum, Life and health insurance: <http://unum.com/>

Verizon Communications, Integrated telecommunication Services: <http://www22.verizon.com/>

Wal-Mart Stores, HyperMarkets & Super Centers: <http://walmartstores.com/>

Waters Corporation, Life Sciences Tools & Services: <http://www.waters.info/>

Wendy's International, Restaurants: <http://www.wendys.com/>

Williams Cos. Oil & Gas Storage and Transportation: <http://www.williams.com/>

XL Capital, Property & Casualty Insurance: <http://www.xlcapital.com>

Yahoo Inc., Internet Software and Services: <http://www.yahoo.com/>