



NIRI WEBINARS

Leveraging the Power of Retail Investors: Your Company's Invested Ambassadors

June 11, 2020 | 2:00pm ET

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Engage and reward your retail shareholders, year-round.

- *Perks*
- *Sentiment*
- *Surveys*
- *Communication*

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Q & A

Submit your questions in the Q&A chat window

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SPEAKERS



Jay Benjamin
Co-founder and Creative
Director,
Hundred Percent;
Advisor to Stockperks



Michael Rosen
Head of Capital
Markets Engagement,
CECP's CEO Investor
Forum



Doug Wilburne
NIRI Fellow, retired IRO



Nicole Maselli
Head of Sales
Stockperks
(moderator)

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RETAIL INVESTOR LANDSCAPE

Significant Purchasing Power:

Global AUM in North America exceeded **\$43 trillion** in 2019 with estimates that retail investors comprise **\$15 trillion** (*McKinsey report*)

Retail Ownership May Be Larger Than You Think:

30% of the shareholder base in US companies is held by retail investors (*Broadridge study*)

Key Factors Contributing to the Growing Presence:

- Zero dollar trading commission
- Wall Street's desire to be on Main Street and tap into its clientele
- Rapid growth of trading platforms that are geared towards Millennials/Gen Z
- Many new personal finance tools catered to helping pick stocks

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BENEFITS OF RETAIL INVESTORS

- **Liquidity:** Cash on hand, ready to invest
- **Stability:** Long-term capital base
- **Voting Support:** Their vote counts
- **Company Support:** Their loyalty goes beyond the stock price

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GIVING THEM A VOICE

Amazon allows customers to review their products online.



GIVING THEM SOMETHING TO TALK ABOUT

The only path to profitable growth may lie in a company's ability to get its loyal customers to become, in effect, its marketing department.

-Harvard Business Review

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The Rise of Stakeholder Capitalism

The foundation has been established for the emerging purpose-driven economy

“America’s CEOs Seek New Purpose for the Corporation with *BRT* Statement”

“Larry Fink Isn’t Going to Read Your Sustainability Report”

“Davos 2020: Stakeholder capitalism vs. the Friedman Doctrine”

“Approach to ESG needs to be baked in, not bolted on”

“Is COVID-19 Killing Shareholder Primacy?”

“The Importance of Disclosure – For Investors, Markets and Our Fight Against COVID-19”

FORTUNE



FORBES



2019 — 2020 —————>

The Purpose-Driven Economy: Known as the Purpose Generation¹, Millennials already represent 50% of the U.S. workforce² and are emerging as the next generation of managers, executives, and institutional and retail investors. They believe business has a responsibility to be transparent about its values, make a positive contribution to society and align financial performance with its principles and corporate purpose – the key elements of the developing purpose-driven economy.

¹ Korn Ferry: [Millennials: The Purpose Generation](#)

² The Case Foundation: [Millennial Engagement](#)

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² The Case Foundation: [Millennial Engagement](#)

Stakeholder Capitalism Ecosystem

Addressing materiality and key stakeholders to drive long-term value

Corporate Issuer

ESG
Materiality
Issues

Environmental & Social Impact
Social and environmental impact of company's activities on a wide range of stakeholders including **Employees, Customers, Suppliers and Communities**

Financial Impact
Information including environmental, social and governance risk factors reasonably likely to impact the financial condition or operating performance of a company of interest to **Investors**

Internal
Corporate
Functions

Corporate
Foundation

Corporate
Responsibility

Corporate
Sustainability

General
Counsel

Investor
Relations

Stakeholder
Groups

Employees

Customers

Suppliers

Communities

Shareholders

Institutional

Retail

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IR SUCCESS



1. Execution

2. Allocation



EMBRACING THE RETAIL INVESTOR

- 1. Be holistic; become a more valuable team member; be an ally to your CMO and CLO**
- 2. Two-way communications (listen, document, understand recurring themes)**
- 3. Extremely important to proxy voting, including compensation**



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RETAIL INVESTOR PROGRAM ELEMENTS

1. Include retail in your annual IR plan/strategy
2. Consider assigning a junior member to take it on as a turn-key opportunity
3. Leverage social media platforms, including your website, Twitter, etc.



RETAIL INVESTOR PROGRAM ELEMENTS

4. Utilize retail brokers; participate in physical and online investor conferences

Best Online Brokers and Trading Platforms for June 2020:

- Fidelity Investments: Best Online Broker
- TD Ameritrade: Best Broker for Beginners
- tastyworks: Best Broker for Options
- Interactive Brokers: Best Broker for Advanced Traders
- TD Ameritrade: Best Broker for Mobile
- Interactive Brokers: Best Broker for International Trading
- tastyworks: Best Broker for Low Costs
- Charles Schwab: Best Broker for ETFs

 Investopedia

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RETAIL INVESTOR PROGRAM ELEMENTS

5. Use electronic platforms/media outlet; include your retail message (e.g. Motley Fool, Morning Brew, CNBC, etc.)



MORNING BREW

TOGETHER WITH



the ascent
A MOTLEY FOOL COMPANY

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RETAIL INVESTOR PROGRAM ELEMENTS

6. Access retail investors via investing clubs



Investor Outreach

Any company, with any budget, is able to get in front of our educated and savvy investor audience.

Ways for a public company to engage with our members:

- [Corporate Partnership](#)
- [2020 BetterInvesting National Convention](#)
- [BetterInvesting Regional Investor Conferences](#)
- [Virtual Investor Conferences](#)
- [BetterInvesting Magazine Advertising](#)
- [Financial Fest 2020](#)

BetterInvesting understands institutional investors are a significant focus for investor relations professionals. But have you ever thought about the power of the individual investor? Public companies have found BetterInvesting to be one of the leading organizations that offer the opportunity for "Wall Street to Meet Main Street."



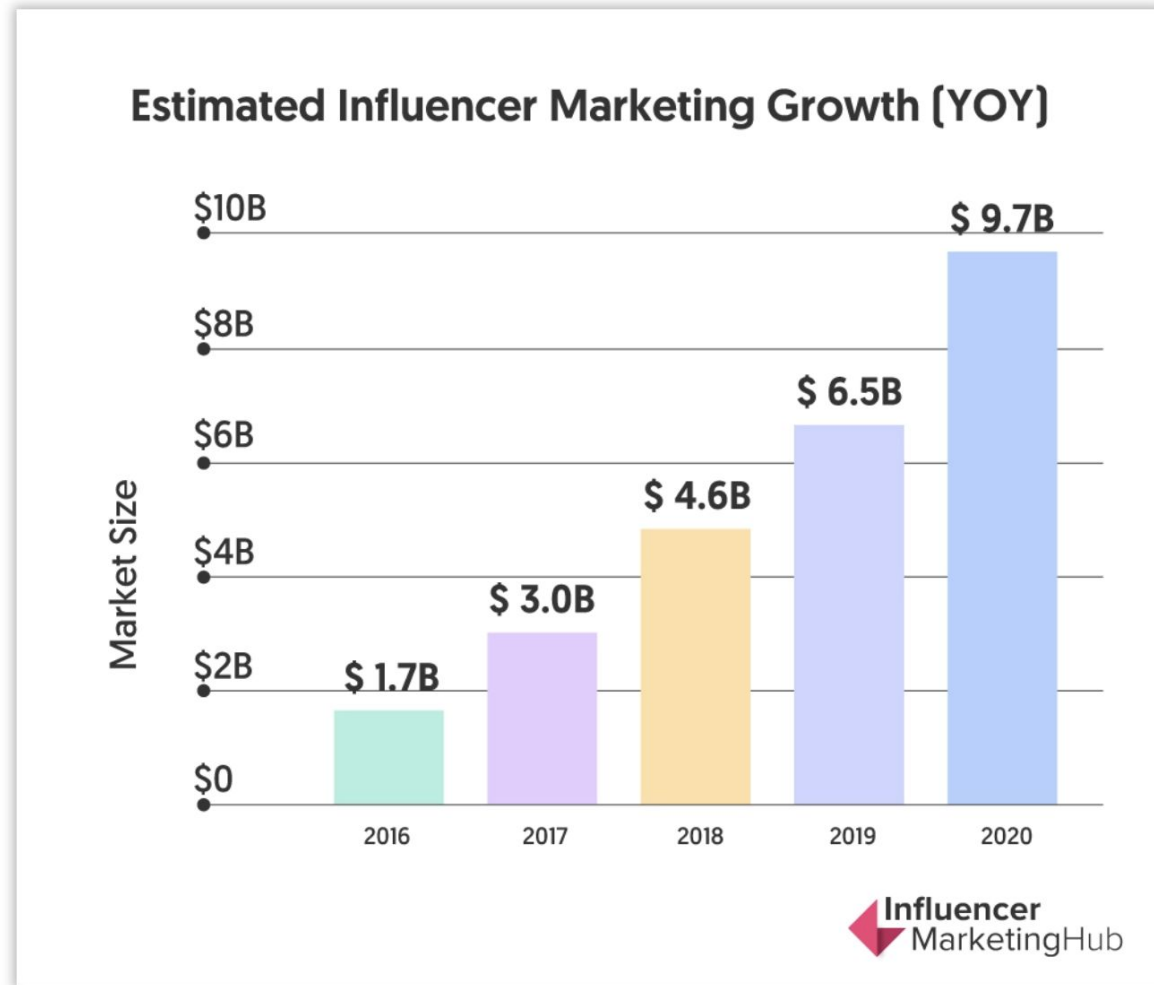
RETAIL INVESTOR PROGRAM ELEMENTS

7. If you have a retail product or service evaluate if an investor-based perquisite program makes sense.



INFLUENCER MARKETING GROWTH

Influencer Marketing
Expected to Grow to
be Worth \$9.7 Billion
This Year.



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SMALLER CAN BE BETTER

Better engagement rates for Nano and Micro-Influencers than for the Superstars

Average Engagement Rate on Instagram, TikTok and Twitter in 2019

We analysed 100.000+ influencer profiles across leading Influencer Marketing Platforms

	<1.000 followers	<5.000 followers	<10.000 followers	<100.000 followers	100.000+ followers
Instagram	7.2%	5.3%	3.7%	2.1%	1.1%
TikTok	9.38%	8.57%	8.13%	7.23%	5.3%
Twitter	1.4%	1.2%	0.6%	0.4%	0.3%

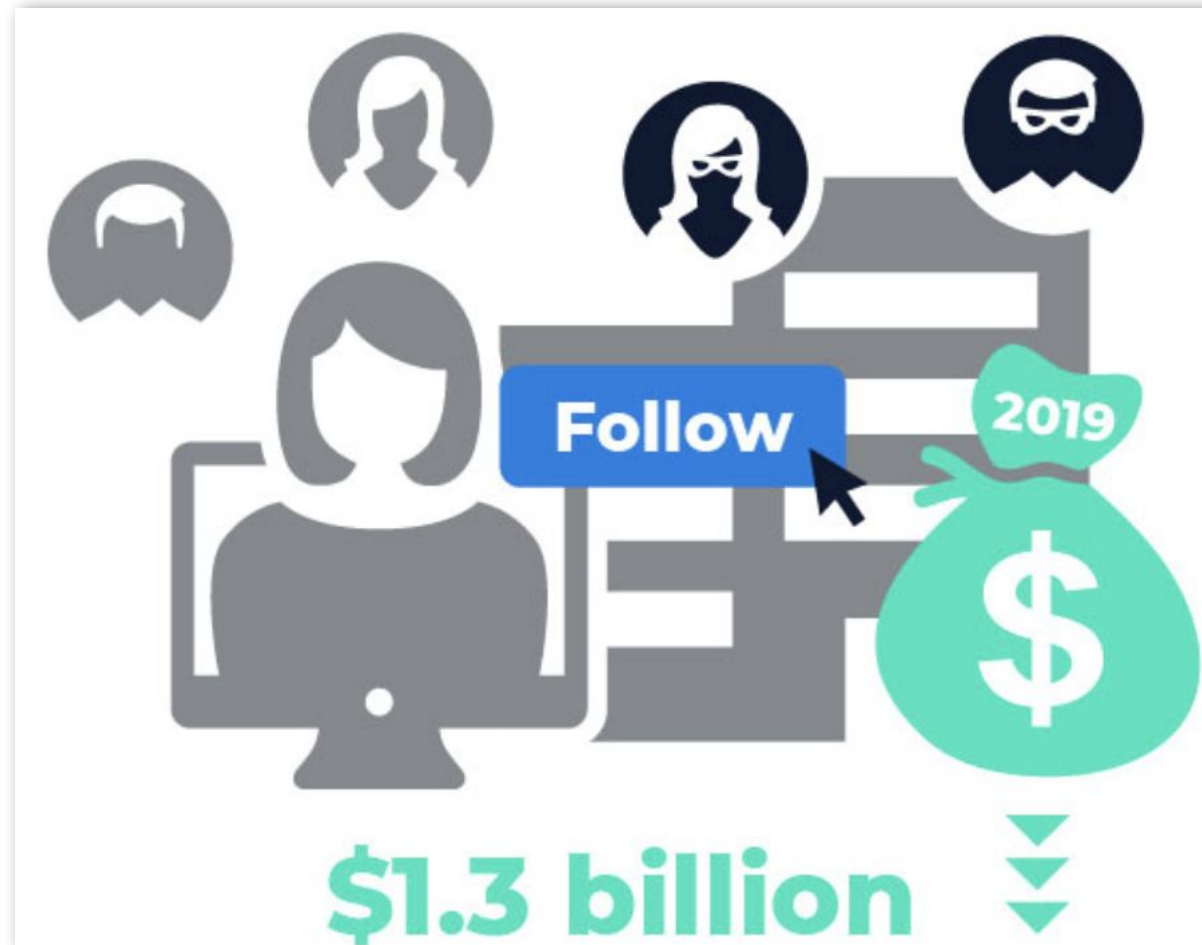
Influencer MarketingHub

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INFLUENCER FRAUD

Fake influencer
follower fraud
cost companies
\$1.3 billion in 2019.



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OWNER INFLUENCERS



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Long-Term Plan Framework

Refocusing investor expectations from short-term earnings to long-term value

Long-Term Plan Framework

Nine themes, 22 forward-looking, decision-relevant disclosures



Corporate Purpose



Trends



Competitive Strategic Positioning



Human Capital



Risks & Opportunities



Corporate Governance



Capital Allocation



Financial Performance



Long-Term Value Creation

Research Collaborators



HARVARD BUSINESS SCHOOL

kks advisors
reshaping markets

George Serafeim, Professor at HBS



CEO Investor Forum

Brian Tomlinson, Director of Research

Source: Journal of Applied Corporate Finance: "The Economic Significance of Long-Term Plans"

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