



Investors Say Activist Shareholders Have the Upper Hand Against Companies in Effectively Leveraging Social Media to Gain Support

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FTI Consulting Study Finds 80 Percent of Investors Identify Shareholder Activism via Social Media as Disconcerting; However, Only 11 Percent Are Confident Corporations Have a Strong Investor Relations Digital Engagement Defense

WEST PALM BEACH, Fla., Nov. 6, 2013 /PRNewswire/ -- FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today announced the preliminary results of the firm's new [Digital Engagement Study](#) among institutional investors on the use and impact of digital and social media, as conducted by the firm's [Strategic Communications](#) segment. The preliminary findings from the study underscore the proliferation of digital and social engagement by investors, shareholder activists and financial media alike and an ill-defined digital defense strategy among organizations' investor relations (IR) and corporate communications entities.

As the financial community becomes increasingly reliant upon digital communications channels, financial and corporate communications teams are being challenged to engage a cross section of audiences on shared social media platforms. Among financial audiences, IR departments commonly do not have an active role in the company's daily social media management while corporate communications functions, which typically oversee these social channels, are being forced to make real-time decisions about financial matters typically outside of their remit.

"It is clear to us that activist investors have staked out a new battleground from which to attack corporate America," said Elizabeth Saunders, Senior Managing Director and Americas Chairman of the Strategic Communications segment at FTI Consulting. "Carl Icahn may have been the first mover, but our study confirms that, going forward, we can expect more activists to exploit this gap in corporate defenses. This is a wake-up call to companies that IR and corporate communications teams can no longer operate as independent silos -- particularly in the case of social media, through which information and opinions are so rapidly generated."

The FTI Consulting study found that 80 percent of investors believe shareholder activists will increasingly leverage social media to target companies. However, only 11 percent are confident that companies are adequately prepared to defend themselves on social media platforms.

Despite heightened digital engagement within the financial community, the research highlights that investors still prefer content filtered through third-party financial influencers (e.g., media, sell-side analysts). The study also found that 40 percent of investors seek content from these influencers via social media (vs. corporations directly) compared with only 14 percent of investors that seek information directly from corporations on social media.

While investors continue to rely heavily on traditional disclosure vehicles (e.g., press releases, U.S. Securities and Exchange Commission filings), the research uncovers an emerging reliance on digital mediums (e.g., videos, infographics) among investors. Although the traditional formats are deemed 18 percent more credible by investors, the rich media formats are considered 13 percent more insightful and 11 percent more motivating.

"The findings of this study emphasize that narrowcasting communications to the financial community no longer is possible, given that stakeholders are seeking information in increasingly varied ways," said Mitzi Emrich, Managing Director, Digital and Social Engagement in the Strategic Communications segment at FTI Consulting. "It is critical for companies to have a social media presence; share information across a broad range of both traditional and digital channels; and use emerging media to connect with stakeholders -- and influencers -- in new and meaningful ways."

FTI Consulting will preview and discuss the full study at *The Holmes Report's Global PR Summit* 2013 to be held in Miami on Tuesday, Nov. 12, 2013. The panel entitled "[The Convergence of Financial Communications and Digital](#)" will include additional research findings on media and corporate digital engagement and feature insights from industry-leading communications executives.

For more information on the report, visit: www.fticonsulting.com/digitalstudy.

Survey Methodology

The Strategic Communications segment at FTI Consulting conducted an online survey among institutional investors between Oct. 3 and Oct. 11, 2013. The survey sample consisted of 201 global institutional investors (e.g., analysts, portfolio managers).

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,000 employees located in 24 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The company generated \$1.58 billion in revenues during fiscal year 2012. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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