



LUND UNIVERSITY
School of Economics and Management

Master Thesis
June 2010

International Marketing and Brand Management



THE ATTITUDE TOWARDS SOCIAL IR

A STUDY OF FACTORS INFLUENCING SWEDISH COMPANIES' ATTITUDES

TOWARDS USING SOCIAL MEDIA FOR INVESTOR RELATIONS

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ACKNOWLEDGEMENTS

During three intensive months we have engaged in an extensive process of trying to grasp our area of interest, in order to package it into a presentable product. This thesis' topic was suggested by our friends at Aspekta AB, consultants in strategic communications and public affairs, in Malmö. Christian Sandberg and Björn Lindström have supported us continuously throughout our research, and we have truly appreciated their guidance and assistance. Thank you! We also want to thank Magnus Dahl, CEO at Aspekta AB, for enabling our project on behalf of his company.

We also thank our very committed supervisor, Jens Hultman. Without his assistance, we would not have been able to conduct this research to its full potential. Hultman has been our guide in the scholarly jungle, and through inspirational methods he has led us forward in each step of the process. Furthermore, we also appreciate all the constructive feedback we have received from the other two thesis groups in our thesis team. Thank you Caroline Nehr, Nadine Schrape, Sofia Helgertz, Maja Arpi and Jila Shademanpour.

To Frans Benson, Johan Bergman, Marita Björk, Carina Janelid, Micaela Sjökvist, Helena Stacey, Annica Strahner, Conny Torstensson and Nils Vinge - thank you! We are very grateful that you have given us access to your companies through acting respondents in our research and for trusting us with the given information.

Lastly, we thank our friends and families for supporting us and for putting up with us through this emotional rollercoaster.

May 2010, Lund

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ABSTRACT

TITLE	The Attitude Towards Social IR – A Study of Factors Influencing Swedish Companies' Attitudes Towards Using Social Media for Investor Relations
SEMINAR DATE	2nd of June 2010
PROGRAMME	Master of Science in International Marketing and Brand Management
AUTHORS	Sara Bernson, Sammy Pergament and Camilla Savén
SUPERVISOR	Jens Hultman
PURPOSE	The purpose of this thesis is to investigate why companies currently are not using social media for IR in Sweden. More specific, we are studying driving and inhibiting factors that are influencing Swedish companies to use, or not to use, this communication technology for IR.
METHOD	Our thesis addresses the attitudes towards using social media for IR among Swedish companies listed on the OMX Nordic Large Cap. We have conducted a qualitative research, consisting of eight semi-structured telephone interviews with Investor Relations Officers.
THEORETICAL FRAMEWORK	This thesis theoretical framework is based on the Technology Adoption Model (TAM), which has been revised in order to fit in an IR context. The internal factors of technology readiness and resources, and the external factors of competitors, demand and legal aspects are relevant for IR purposes. Hence, these factors are integrated in the revised TAM.
RESULTS	We found that the two external factors of demand and competitors are driving, yet too weak to overpower the legal factor, which we found inhibiting. This results in a lack of external pressure, possibly resulting in the fact that we found the two internal factors of TR and resources also being inhibiting. Hence, Swedish companies have a reluctant attitude towards adopting social media for IR.
KEYWORDS	Investor relations, social media, technology adoption model, attitudes, factors.

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1 INTRODUCTION

In this first chapter of our thesis a broad approach to our area of interest is presented, which then leads down to a literature review. The section is followed by a problem discussion, related to the chosen field of study, and ends with the purpose and the research questions of this master thesis.

1.1 BACKGROUND

“INTERNET is an extremely important new technology, and it is no surprise that it has received so much attention from entrepreneurs, executives, investors, and business observers...The winners will be those that view the Internet as a complement to, not a cannibal of, traditional ways of competing.” (Michael Porter, 2001:2)

This is what Michael Porter predicted almost a decade ago and now the Internet has become a natural tool for business communication. What was once a new technology is now a hygiene factor which use is taken for granted in most situations.

From then until now, the Internet has gone through a dramatic change in terms of features and areas of use and is now better described as a multiple technical tool that provides business organizations with numerous ways of communication. What the future holds, in terms of Internet development, is yet unknown and, likewise, what benefits business organizations will gain from it. However, one thing is for sure, the Internet is here to stay.

1.1.1 THE IMPORTANCE OF RELATIONSHIP AND COMMUNICATION

In today's competitive business environment, in order to build and obtain long lasting relations, the relationship perspective is an important aspect for companies to consider (e.g. Grönroos, 2007; Tuominen, 1997). The business perspective is continuously moving from a transactional to a relational mode, where interactions with stakeholders are the focal point. Yet, many companies have not realized that most business processes are inherently based on relationships and interactions (Grönroos, 2007). Information is often merely pushed out to the market, and instead of engaging in a dialogue with the stakeholders, many companies communicate on a one-way basis, relying on

traditional forms of information sharing (Grönroos, 2007). In order for companies to achieve an abundant relationship, the communication with stakeholders is a significant issue to consider. Accordingly, Wilson et al (2010:3) state:

“Firm–stakeholder relationships are influenced by not only by trust, reciprocity, and commitment, but also by communication, learning, and power.”

As expectations on stakeholder relationships are increasing, the traditional one-way communication to build relationships on is no longer as effective as it once was. Companies have to find new ways of increasing their transparency and reaching out to both existing and potential stakeholders with their corporate information (Christensen et al, 2008). Several researchers (e.g. Christensen et al, 2008; Dolphin, 2004) emphasize the importance of companies integrating their communication and being active participants in various forums to maximize the organizations’ exposure. The visible interaction and the symmetrical two-way communication with stakeholders is an important strategic tool (Holtz and Havens, 2009). Accordingly, companies with well-developed and controlled communication programs will be more attractive than those with traditional or old-fashioned ones. Increased visibility and engagement indicate credibility from the company’s side as well as create a positive reputation. In order for companies to diversify and increase their authenticity, a transparent strategy could be employed to enable companies and stakeholders to communicate and gain mutual benefits (Holtz and Havens, 2009). This is important in all communication that takes place between a company and its stakeholders, but particularly in the corporate communication with investors and the financial market. A company’s relationship with their investors is likely one of the most important relationships (Grunig and Hunt 1984).

1.1.2 INVESTOR RELATIONS

IR is the strategic management stance where companies create a dialogue with the financial community to achieve a fair valuation (Grunig and Hunt 1984). Without investors and good investor relations, henceforward entitled IR, a company will not be as prosperous, or have the same ability to diversify as others (Guimard, 2008). In accordance to the discussion of relationships and communication, Tuominen (1997) proposes that, through theories stemming from the Nordic School, IR should be built on relationships, rather than transactions. Hence, stakeholders should have an integrated role in the service production of IR. Furthermore, the approach states that IR is not only about establishing new investor relationships (investor catching) but is also about maintaining and

enhancing current relationships (investor keeping), which means that companies benefit from being active in various communication channels (Grunig and Hunt, 1984).

Consumers of IR can be divided into four groups, where members of each group either invest money themselves or act as an intermediary in the financial communication process. The four groups are current shareholders, prospective shareholders, the financial community, such as bankers, investment advisers and pension funds, and financial media (Grunig and Hunt, 1984). According to Bollen et al (2008), IR is about providing both financial and non-financial information that can be relevant for the pricing of a company's share. The provided information should reduce the information asymmetry between a company and its stakeholder. Guimard (2008) proposes indirectly that, through the recommendation of measurements, the purpose of IR is not to maximize share price. Rather, a good way to measure effective IR is by measuring stock volatility. Guimard states that there is a correlation between IR and stock fluctuations. If all IR customers are provided with the same information, the price of a stock will be more stable.

Many larger companies have their own IRO, Investor Relations Officer, who is responsible of maintaining the relationships and handling the communication with investors. The most common activities organized by an IRO are road shows, financial presentations and conferences. In most companies, the IRO is also responsible of responding to requests from shareholders, analysts and stockbrokers. (Laskin, 2009)

The relationship between investors and companies are dependent of various forms of communication and in today's society investors are more active in seeking information, demanding more transparency and timely information (Dolphin, 2004). One hypothesis is that renowned companies with high stock market value use more communication channels than less renowned. The better the companies are to continually communicate forecasts, product information and other relevant data, the more likely a company will become the investors' choice (Dolphin, 2004). Tuominen (1997:7) further emphasizes this issue:

“Empirical evidence from the Finnish stock market suggests that success in investor relations requires the companies to extend the scope of investor relations from a mere publication of obligatory annual and interim reports to more frequent, extensive, proactive and diversified two-way interaction and communication.”

Accordingly, IR communication needs to be adaptable to suit the more interactive requirements of the financial market. However, IR communication differs from other forms of corporate communication as there are several legal aspects that have to be taken into consideration. (Gruning and Hunt, 1984)

1.1.2.1 Legal considerations from an IR perspective

Due to the jurisdiction, the IR communication situation is quite complex. Every country has its own specific regulations on how to communicate with investors. This thesis will be addressing the Swedish market, hence, the Swedish regulations are presented below. Since 2001, the Stockholm stock exchange requires all listed companies to have their own website. Accordingly:

“The company is required to have its own website in order to ensure the availability of corporate information to the market. The requirement applies as of the date of listing. The requirement also pertains to annual reports and prospectuses, when possible...The information shall be made available on the website as soon as possible after the information has been disclosed.” (Stockholmsbörsen, 2010:30)

Considering the legal situation in Sweden, companies listed on Stockholm’s stock exchange are liable of making public statements of any circumstance that are expected to affect the stock price, as soon as it occurs. These circumstances could be in the nature of, for instance, specific decisions or occurrences; any circumstance that in the Swedish law could be expected to affect the price of a company’s stock price. Accordingly:

“If the Exchange considers certain information to be important and in the interest of investors, the Exchange may require that the issuer posts supplementary information on its website.” (Stockholmsbörsen, 2010:50)

Any information that is presented by a company should be correct, relevant and clear; it is important that it is not perceived as confusing or misleading. Reality must be reflected and the consumer of the information should be informed to the extent that he or she can make an own judgement of the value of the content. Hence, leaving out unfavourable information is not allowed and is considered to violate the regulations. However, under conditions such as consolidations and acquisitions, if consistently informed of that more information is coming soon, such could be introduced

sequentially. Furthermore, it is essential that all stakeholders get all expected stock price affecting information simultaneously; the company itself is held responsible of this matter. Accordingly, the company is also responsible of making sure that this kind of information is kept confidential until presented officially. External or unauthorized parties, such as analysts and journalists, have to be kept at distance from this information while still confidential. Stock price affecting information could only be shared with third parties if simultaneously presented officially. . In case an accidental leakage of such information occurs, the company is liable of making a public statement of this promptly. Information that is to be published has to reach the stock exchange, at the latest, at the same time as made official. (Stockholmsbörsen, 2010)

1.1.3 SOCIAL MEDIA

As requirements of IR websites are now statutory in Sweden, the use of Internet communication has evidently spread to the IR departments. However, such websites are rarely in accordance with the two-way interaction and communication, discussed by Tuominen (1997) earlier. Since the Swedish regulations of Internet websites for IR were formulated, almost a decade ago, Internet features have changed and new communication technologies are emerging in the business context. One form of such technology is social media, which today is seen in several corporate communications contexts, for instance, within marketing and human resources (Walker, 2008).

Social media is a fairly new Internet technology in the business context, which is revolutionizing companies' communication with stakeholders; many companies are now realizing the utility of the various social media platforms in order to reach out to millions with their messages (Mayfield, 2008). The primary characteristic for social media is engagement, which encourages participation; it requires openness and a two-way communication as well as creates communities and connectedness (Mayfield, 2008). The Internet communication was first introduced as Web 1.0, where information was merely communicated on a one-way basis. The term Web 2.0 was created by Tim O'Reilly in 2004 and is the common name for the second generation of the Internet after the dot.com crisis. Web 2.0 enables interaction with the end-user, which allows them to share information among each other and create their own web based content. Characteristics for Web 2.0 are participation, dialogue, blogs, web based communities and wikis, or in other words different channels of social media. (Creeber and Martin, 2009)

Currently, companies use social media channels in different ways based on intentions. For instance, Facebook is mostly used to conduct marketing and for human resource activities, Slideshare is used to publish company slides and LinkedIn is a way for companies to cultivate useful business contacts. A business or corporate blog allows the company to frequently communicate with stakeholders in a more informal way than the traditional communication through newsletters and annual reports. The corporate blog is used to create attention to special events, products or to comment and inform about news and relevant topics. Corporate blogs allow companies to have an ongoing direct conversation with stakeholders and to create attention for potential investors. An increasing amount of companies encourage employees to start their own blogs. Both Google and Microsoft are examples of this, they let their employees' blog, in order to present a more personal and individual angle of the company. (Walker, 2008)

Even though the efficiency of social media has been proven in the business context, many companies or departments do not take this technology opportunity seriously. Instead of appreciating the low costs and benefits of using it, some managers associate social media with fun and leisure. At some workplaces, these types of media are even banned (Wright, 2008). As argued, stakeholders demand an increased corporate transparency. From the company's point of view, this new openness is sometimes perceived as uncomfortable, mostly due to the perceived loss of control, why some companies can become reluctant to adopt social media as a communication technology (Holtz and Havens, 2009).

1.1.4 IR AND SOCIAL MEDIA

Reflecting upon the engagement of IR and the use of social media, it appears to be a win-win situation from both the investors' and from the companies' point of view. As Bollen et al (2008:172) state:

"Today, stakeholders demand fast, transparent, and easy-to-understand information. In the process of adapting to these changes, companies have increasingly used Internet technology for IR activities. The Internet enables organizations to disclose information on a real-time basis and increases the accessibility of both financial and nonfinancial information."

Despite this, relatively few companies have explored the possibilities to engage in IR via social media. Most companies still settle for a presentable corporate website, through which they make their

annual report accessible. Nevertheless, there is a growing demand of companies being flexible and engaging shareholders in interactive financial communication. (Jones, 2010)

“...investor relations departments have taken a hands-off approach to their companies’ social media activities, even though investors and analysts are increasingly using these channels to keep informed about their holdings.” (Jones, 2010:1)

This reluctance to combine IR and social media could be due to the fact that some companies feel that social media technology is not related to their field of interests. Further, some might feel that they lack the resources to engage in that sort of new communications. (Jones, 2010)

There are a couple of interesting cases where companies successfully have used social media for IR activities. One of the first engagements of IR and social media occurred in July 2007, when Sun Microsystems announced its financial results via its investor relations website and company RSS feed, 10 minutes prior to the traditional online press release. Not surprisingly, the action raised the question of the risks and advantages of doing so. The traffic to Sun Microsystems’ website increased since the website proved to provide the most up to date and comprehensive financial information (Scott, 2007). Another example of a successful engagement of IR and Social Media is Intel Corp who, in 2009, showed its annual meeting online for those financial stakeholders who were unable to attend it in person and the stakeholders were given the opportunity to comment upon the shared information. Also, both Google and IBM allow their investors to post comments electronically when they are having their annual meetings (Koegel, 2009). Furthermore, Cord Blood America uses Twitter and Facebook to keep its investors updated with industry and company news. The IR responsible frequently interacts with the stakeholders and comments upon related issues as well as provides the investors with links to relevant sites (Joyce, 2010).

1.2 THE CURRENT STATE OF USING SOCIAL MEDIA FOR IR

When scanning the Internet for information about our area of interest, an interesting blog post written by Annica Strahner, CEO of Sculptor Investor Relations Sweden, was found. The author was contacted and a discussion about the current situation of using social media for IR in Sweden aroused. In June 2009, Annica Strahner attended the Nordic Investor Relation Conference (NIRC) in Helsinki to meet other IROs and discuss matters within their field of business. One of the topics

discussed was the communication with the financial market through social media. Out of 150 IROs present, none of them stated that they were using this new communication technology (Strahner, 2010).

Prior to our main research, a pre-research was conducted, which led to our area of interest. The pre-research consisted of visiting and investigating all IR-websites belonging to the 58 companies listed on OMX Nordic Large Cap. These are the companies with the highest stock market value in the Nordic Countries (Affärsvärlden, 2010), and in accordance to Dolphins (2004) argument discussed earlier, also the companies that use most channels for IR communication. The pre-research confirmed Annica Strahners statement that the usage of social media for IR is very modest among listed companies in the Nordic Region. This is quite alarming, since there seems to be an increasing demand. In a study conducted by Brunswick in 2009, an international corporate communication group, involving 448 equity analysts and institutional investors worldwide, 30% of the respondents stated that blogs and chat rooms are becoming an increasingly important information source during this year. The corresponding figure for social network sites was 13%. Furthermore, 12% of the respondents claim that new media, such as blogs and social network sites, is one of the most influential information source. The survey indicates that there is an increasing demand amongst IR consumers for companies to be present in social media. However, the study also states that European respondents are less likely to use social media than their US counterparts (Duckworth et al, 2009).

1.3 LITTERATURE REVIEW

When searching in databases on keywords related to the topic of IR and social media, not much was to be found. A couple of interesting articles that investigates what social media is and how it can be used for IR are identified (e.g. Heaps, 2009; Thompson, 2009), but none of which have been scholarly approved. Though it might not come as a surprise, considering social media being a new communication technology in this context, the search results indicate a significant lack of academic research within the chosen field of study.

As early as in 2000, Kuperman (2001) predicted that the Internet would have a significant impact on IR activities. By providing a couple of success cases, the author concludes that the Internet may change both the one-way and two-way communication between a company and its financial

stakeholders. Bollen et al (2008) state that in the Western economies, most companies listed on the stock exchange are currently engaging in financial communication via the Internet. The initial intention of such engagement was to save costs, whereas it today is more driven by stakeholder requirements. The authors elaborate on a potential future situation, where Internet activities for IR replace the traditional way of paper based financial reports. In such a scenario, the pressure on companies to develop and maintain functional and efficient, high quality web activities for IR increases dramatically.

In the American magazine Corporate Governance Advisor, Heaps (2009) analyzes the use of Twitter for IR in publicly listed companies, from several different sectors. Out of all of the companies that were identified to have a Twitter account, just over half used this technology to communicate financial information. According to the author, these findings indicate that there seem to be a gradual adoption of social media in general, where companies are aiming at becoming more transparent and open. Even though Twitter is mainly used to broadcast information, rather than giving opportunities of interaction between companies and its stakeholders, the use of it for IR shows that a first step is taken towards a broader use of social media in the financial context. Heaps (2009) predicts that:

“As public companies recognize the opportunities associated with a ‘conversation’ approach rather than a ‘broadcast’ approach, the adoption on this side of the channel should continuously increase.”

Koegel (2009) continues on the discussion on social media and IR with a broader approach:

“The emergence of services such as Twitter reflects the dynamic nature of the Internet and serves as a reminder that the only constant in cyberspace is change.”

He further claims that he is able to identify an increased usage of social media for IR and exemplifies it with Google and IBM who accepts questions via social media for their annual meetings.

Thompson (2009) gives advice on how companies can use different social media in communicating with stakeholders. He concludes that there are a variety of platforms to choose from depending on what features, such as degree of interactivity, a certain company is looking for in the technology. However, Thompson emphasizes that social media should be a complement, not a substitute, to regular IR activities.

To summarize the literature review, no scholarly articles addressing the use of social media for IR communication has been found. Previous research has only focused on the impact of the Internet on IR activities. Furthermore, no articles addressing the adoption process of new communication technologies for IR has been identified. However, there are non-scholarly articles that touch upon our area of interest. Some of them merely present best practice cases, whereas some speculate how, for instance, Twitter may be used to strengthen a company's relationship with the financial market. Yet, we have not found any studies addressing the attitude towards using new communication technologies, in particular the technology of social media, for IR.

1.4 PROBLEM DISCUSSION

As discussed above, in today's fierce competitive environment, relationships are becoming increasingly important. Over the last decade, IR reputation has grown in the business society and today, it is common to find an IRO in the organization of any larger listed company. Simultaneously, companies have increased their usage of social media in general, especially when it comes to communicating with customers. Social media enables an efficient two-way communication with the market. However, there is still a lack of confidence towards using social media for IR. Abroad, there are cases where companies have integrated social media in their IR communication strategy, but as our pre-research indicates, Nordic companies tend to exclude social media in the IR context.

According to the cases abroad, social media is being employed to strengthen companies' relationships to actors on the financial market. Based on our background discussion, there is a positive potential for more companies to use social media for IR. However, since we currently are facing a situation where most companies have not yet adopted this new communication technology for IR, it is relevant to investigate why.

1.5 PURPOSE

The purpose of this thesis is to investigate why companies currently are not using social media for IR in Sweden. More specific, we are studying driving and inhibiting factors that are influencing Swedish companies to use, or not to use, this communication technology for IR.

1.5.1 PURPOSE DISCUSSION

To investigate the Swedish companies' attitudes towards using social media for IR, the Technology Adoption Model (TAM) is used as the foundation of our theoretical framework. The area of interest is approached from a factor point of view, where the external and internal factors influencing the adoption process will be investigated. Our ambition is to apply a revised TAM on the empirics in order to outline driving and inhibiting factors behind the attitudes of using social media for IR in Sweden. The TAM is revised to fit in an IR context and the model, as further argued in chapter 3, is aligned with the purpose of this thesis. It includes those internal and external factors that previous IR research points at being relevant to consider. The objective is to outline which of these factors are driving, respectively inhibiting, the adoption process of new communication technologies for IR. This thesis is addressing the area of interest from a company perspective, which means that it only involves the senders of the financial information. Hence, we are excluding to map out the current actual demand, seen from analysts, investors and media's point of view.

The ambition of this thesis is to provide both an academic and a managerial contribution. From an academic point of view, the literature review indicates an existing research gap within the field of adopting new communication technologies for IR. This research will partly fill that gap, as well as provide relevant guidelines for future research. From a managerial perspective, the results of this study may be used as insights as well as facilitate future implementations of new communication technologies.

Furthermore, we want to emphasize that the area of interest, the adoption process, is addressed from an organizational level, as oppose to an individual level. This study only contains empirics from IROs, but these professionals represent their entire company.

1.6 RESEARCH QUESTIONS

Our principal question is:

- What are the attitudes among Swedish companies towards using social media for IR?

To be able to provide a valid answer to our principal question, we will also address the following question:

- What are the driving and inhibiting factors behind Swedish companies' attitudes towards using social media for IR?

1.7 DISPOSITION

RESEARCH APPROACH AND DESIGN



The second chapter is a method chapter, in which the methodological reasoning is presented from a philosophical, as well as a practical point of view.

OUTLINING COMMUNICATION TECHNOLOGY ADOPTION FOR INVESTOR RELATIONS



In this chapter, our revised TAM and the reasoning behind it is presented. The theoretical framework functions as a guide in the empirical production and as a tool of analysis.

SWEDISH COMPANIES' POSITION IN THE DEBATE OF USING SOCIAL MEDIA FOR IR



This part of the thesis consists of the empirics, based on interviews of eight Swedish IROs. The empiric material is categorized into the internal and external factors of the TAM.

ANALYSIS



In the analysis, the theoretical framework is applied on the empirics in order to outline the driving and inhibiting factors behind Swedish companies' attitudes towards the use of social media for IR.

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The last part of this thesis includes a conclusion, as well as reflections upon the conclusion and recommendations for future research.

2 RESEARCH APPROACH AND DESIGN

This chapter aims to present our methodological reasoning – both from a philosophical and practical point of view. Firstly, a discussion regarding our general method approach, in terms of how we look upon research method, is presented. Secondly, we outline our research design and clarify how went about when producing empirical material for our thesis. Thirdly, we present a comprehensive discussion of how we have analyzed the empirical material and then debate about our research’s validity and reliability.

2.1 PHILOSOPHICAL CONSIDERATIONS

The introduction chapter ended with a stating the purpose of this thesis – to investigate why companies currently are not using social media for IR in Sweden and to outline the driving and inhibiting factors. Our purpose and research questions consistently constitute the foundation of our methodological reasoning and the choices we make.

As researchers, prior to considering the relationship between theory and research, one must explain how to look upon theory. Theory is an “*explanation of observed regularities*” (Bryman and Bell, 2007:7) and as opposed to *grand theories*, such as symbolic interactionism, critical theory and poststructuralism, we refer to *theories of middle range*. The latter term captures explanations, which are positioned between theories that are too general and descriptions that are not generalized at all. (Bryman and Bell, 2007)

Regarding the relationship between theory and research, there are two main perspectives. The first one, induction, refers to generating a general rule from a set of observations, meaning that the empirics lead to theory. The second perspective, deduction, starts from a general rule and then leads to a collection of empirics to verify or reject a certain theory. However, there is a third perspective, abduction, which we find most appropriate for this thesis’ purpose. Abduction includes elements of both induction and deduction, but should not be regarded as something in between. The perspective departs in empirical data, but thereafter, the empirics and the previous theory engage in a process of achieving synergy effects. This is done by letting the empirics and the theory influence each other throughout the entire research process. By continuously reinterpreting the two categories of

sources, researchers are able to gain a deeper understanding of their area of interest. (Alvesson and Sköldbberg, 2009)

2.1.1 POINT OF DEPARTURE

Prior to a more practical discussion on how we have produced the empirical data, we present our point of departure in methodological reasoning. One could argue that it is up to the consumer of our research to judge that. However, we find it fairer to briefly clarify our position in advance, in terms of our philosophical perspective on research.

Epistemology concerns what is to be regarded as acceptable knowledge. In this matter, we have an interpretivistic view, which means that we are critical to the application of scientific models to the study of the social world. Interpretivism, as oppose to positivism where the key idea is that the world exists externally, is based on the view that researchers must acknowledge and respect the differences between people and objects of natural science. Hence, the two should also be measured in different manners (Bryman and Bell, 2007). When it comes to our ontological position, we are influenced by the logic of social constructionism, which argues that the reality is not objective, but *“is socially constructed and given meaning by people”* (Easterby-Smith et al, 2002:29). The position implies that the researchers are concerned with how people place meanings and constructions on their experiences, and attention is directed towards the communication between people. Within social constructionism, the researchers’ primary goal is to induce ideas from rich data and to increase general understanding of a phenomenon (Easterby-Smith et al, 2002). Our research approach implies that we will not refer to any data collection, as if knowledge is “out there”, but rather data production, or empirical production, which means that we acknowledge the interaction between people, as well as our own impact on the research results.

2.2 RESEARCH DESIGN

When deciding upon a method for the empirical production to this thesis, we have reasoned according to the process illustrated in figure 1, which demonstrates that our research question has been the main driver throughout the entire reasoning process.

Figure 1. Methodological reasoning



Our principal question is concerned with capturing the attitude towards using social media for IR among Swedish companies, which means that our object of study is attitudes. We have chosen to use a qualitative research strategy, which emphasizes words, rather than numbers. Qualitative research is also aligned with our epistemological and ontological positions, as well as our perspective on the relationship between theory and research (Bryman and Bell, 2007). Our object of study leads us into a discussion about the data needed to answer our research question.

2.2.1 MULTIPLE-CASE STUDY

As suggested by Easterby-Smith et al (2002), when having a social constructionistic perspective on reality, researchers gain from studying a small number of cases chosen for specific reasons. A case is an object of interest and, as Bryman and Bell (2007) emphasize, not a method in itself, since almost any method may be used within a case. Eisenhardt (1989) points out that a case study may involve either single or multiple cases. Most of her examples involve ten cases or less. Bryman and Bell (2007) define a multiple-case study as an investigation involving several cases and emphasizing each case's unique context. In terms of the strengths of a case study, Eisenhardt (1989) states that this approach increases the likelihood of generating novel theory and insights, mainly due to the juxtaposition of different cases and theories that tend to unfreeze thinking. Merriam (1994) writes that a case study is suitable when the researchers aim to get a rich and holistic understanding of a phenomenon, where the insights will be used to formulate a hypothesis that may structure future research. Since these strengths are aligned with this thesis research's purpose, we have chosen to conduct a multiple case study.

2.2.2 SELECTION OF CASES

There are two categories of sampling types – probability sampling and non-probability sampling. The former alternative is suitable when researchers want to generalize their conclusion by using a

representative sample of the population (Bryman and Bell, 2007). According to Merriam (1994), non-probability sampling is the most used method within qualitative research. Since our ambition is to create insights, rather than to achieve a generalized conclusion in a statistic sense, we have used non-probability sampling. More specifically, we have employed a sampling method called criteria related sampling, which means that the researchers first formulate relevant criterions and then search for units which matches these criterions (Merriam, 1994).

Since January 2008, Nasdaq OMX Nordic has divided the traded shares into three segments – Large Cap, Mid Cap and Small Cap – where the former index includes all Nordic companies with a stock market value at one billion Euros or more (Rodny, 2007). We assume that companies listed on Large Cap have more and larger investors than other companies, and thereby more heavy and large-scale IR activities, why we will focus on those. However, we want to emphasize that these are our own assumptions and that other listed companies may operate IR activities to the same extent as the Large Cap companies we study.

After deciding upon that the study is only going to involve companies listed on Large Cap, we formulated relevant criterions that may affect the conclusion of our research and feasible to identify. According to Eisenhardt (1989), a case study should include between four to ten cases, and in accordance to that we decided to include eight cases. If we were to include less, we might have been faced with difficulties to conduct a thorough analysis and if we were to include more, it could have resulted in a more shallow understanding of our area of interest. Our guiding criterion was to select cases from different industries, listed on OMX Nordic Large Cap. This is relevant since the competence and organizational structure may differ between industries. Furthermore, we also had to consider the accessibility. We could only include companies that we could gain access to in a reasonable period of time, to conduct the relevant interviews. Based on these guidelines, we selected the following companies.

BOLIDEN

Boliden is Europe's third largest copper and zinc metals supplier, but it also produces lead, gold and silver. The company mainly operates in the initial stages of the processing chain, meaning exploration, mining and smelting. Boliden was founded in Sweden in 1924 and the current IRO is Frans Benson. (Boliden, 2010)

H&M

H&M is an international Swedish clothing company founded in 1947 and it is currently present in 37 countries around the world. Since 1974, H&M has been listed on the stock exchange. Nils Vinge is the current Head of Investor Relations. (H&M, 2010)

LINDAB

Lindab started its business in 1956, at the time being a small metal shop in Sweden. Today, Lindab is present in 31 countries worldwide, developing and selling sheet metal and steel products that simplifies construction and improves interior environments. The company has been listed on the Stockholm stock exchange since 1984 and Helena Stacey is the PR and IR Manager at Lindab. (Lindab, 2010)

NCC

Swedish NCC is one of the Nordic region's leading construction and property development companies. NCC was legally established in 1989, and entered the Stockholm stock exchange in 1988. Johan Bergman is currently the Head of Investor Relations. (NCC, 2010)

SECURITAS

In 1934 the first local stage of the Swedish security company Securitas was established, and today, being present in 40 countries around the world, the company has gone widely international. The company is the market leader in security expertise and aims at providing maximum value to its customers. Securitas became listed on the Stockholm stock exchange in 1991 and Micaela Sjökvist is the Head of Investor Relations. (Securitas, 2010)

SKF

SKF was founded in Sweden in 1907 and grew to become an actor on the international arena. Today, SKF is present in over 130 countries and is the leading supplier and innovator of products and services within the industrial sector. In 1914 SKF was introduced on the Stockholm stock exchange and the Head of Investor Relations is Marita Björk. (SKF, 2010)

TELIASONERA

TeliaSonera is currently operating internationally in over 20 countries. The company provides network access and services within telecommunication, to both the private and public sector. In 2003, Swedish Telia and Finnish Sonera emerged and formed TeliaSonera. Carina Janelid is the current IR Manager. (TeliaSonera, 2010)

TRELLEBORG

Trelleborg is an actor in the international industrial business sector, as a provider of effective and securing solutions that seal, damp and protect in both everyday and demanding conditions. Today, Trelleborg is present in 40 countries, and was founded in Sweden 1905. In 1964 the company became listed on the Stockholm stock exchange and the current Vice President of Investor Relations is Conny Torstensson. (Trelleborg, 2010)

2.2.3 INTERVIEWS

Interviews are used as a method when researchers aim to find out about something that cannot be directly observed (Merriam, 1994). Attitudes are difficult to observe, which means that interviews are an appropriate method for our research purpose. When deciding upon using interviews, the researchers have to consider what degree of structure to employ. The scale of structure stretches from structured interviews, which may be described as a verbal survey, to unstructured interviews, which are used when the researchers do not have enough knowledge about an area to formulate relevant interview questions (Merriam, 1994). We have decided to use a method that lies in between these extremities, namely semi-structured interviews. This type of interview allows the researchers to use an interview guide, consisting of questions on a specific topic. However, the interviewer has a large portion of flexibility, in terms of rearranging the order of question and by adding new questions if the researchers want to pick up on something that the respondent states. The respondent is also provided with plenty of flexibility in terms of how to answer the questions (Bryman and Bell, 2007). Semi-structured interviews may be used when the researchers wants certain information from all respondents, but at the same time wants to be able to respond to a situation in order to get a deeper understanding of the respondents perspective of the world (Merriam, 1994). The method matches our ambitions, since we have a clear focus on what we want to investigate and simultaneously is aiming for a genuine understanding of our respondents' world views. For our interview questions, please see the guide in the appendix.

After selecting cases and the most appropriate method, the choice of respondents to include in our study was relatively uncomplicated. We have interviewed the person who is responsible for IR in each of our eight case companies. The respondents have business titles such as *IR Manager*, *Head of Investor Relations*, and *VP Investor Relations*. However, in this thesis we refer to all of them as IROs. These individuals are those who have the most knowledge of each company's IR processes. Certainly,

there is always a risk of bias when letting one person represent an entire organization. However, in the case of IR, there are only a few employees of each organization who are familiar with the area. In some cases, it is only the IRO, CEO and CFO who are involved in IR activities, while it is the IRO who is responsible for coordinating them. Hence, we have focused our research on the IRO.

The next step, after identifying relevant respondents, was to call them and book an interview. We called the IRO directly and told them about our thesis and our ambition. After the phone call we also sent the respondents an e-mail with a brief background of our topic and a description of what kind of questions they could expect during the interview. All of the interviews were conducted between the 13th of April and 3rd of May 2010. The fact that our respondents are geographically scattered would make it more complex, both in terms of time and money, to reach them for face-to-face interviews. Therefore, we decided to conduct the interviews from Skype to the IROs' telephones. This also enabled us to record all interviews on a computer. We used loudspeakers to allow those of us not conducting the interview to take part of the information. To ensure consistency the interviewer was monitored and supported by the two other authors of this thesis.

There are advantages as well as disadvantages when conducting telephone interviews. Considering that our respondents are all busy professionals, it was most suitable for both them and us to conduct the interviews with the ability to be flexible, both in terms of time and place. Bryman and Bell (2007) emphasize that a disadvantage of conducting telephone interviews is that the interviewer cannot engage in observation and thereby read body language and face expressions. However since we are more interested in what the respondents say than what they do, we can cope with the observation issue. As an advantage, telephone interviews decrease the likelihood of bias due to respondents being affected by the interviewer's characteristics, such as class or ethnicity. (Bryman and Bell, 2007)

The interviews lasted for approximately 25 minutes each, depending on the amount of time it took to get a holistic perspective of a company's position in the social media debate. We asked at least those questions formulated in the interview guide (see appendix). In some cases we also added other questions and/or repeated a question with a new formulation, in order to get a comprehensive understanding of the situation.

2.3 ANALYZING THE EMPIRICS

Even though the empirical production and the analysis take place simultaneously in qualitative research, there was still an intensive process of analysis that occurred after our interviews. The analysis chapter includes our considerations revolving how we are reporting and evaluating our empirics and conclusions. Our ambition is that this chapter further increases the transparency of our research results.

All the interviews were conducted in Swedish, since both the authors and the respondents' mother tongue is Swedish, and recorded on a computer. As stated earlier, there was always at least one more researcher present, besides the interviewer, during all interviews. His or her task was to transcribe, or rather take notes, from the interviews. After all of the interviews were conducted, all three of this thesis' authors listened through the recorded interviews at several times. As the interviews were conducted in Swedish, a translation was necessary in order to present the empirical data in English. However, due to our understanding of the English language, the translation has not been an issue. The only critical aspect of the translation that we experienced was quotations. In order to yield the meaning of a certain quotation in English, we had to revise the exact words said in Swedish in some cases.

In regards to the analysis that took place during our empirical production, we adapted our interviews based on our respondents' answers and the outcome of the previous interviews, we took notes during the interviews which stimulate critical thinking, and we often went back to the literature and consulted previous research. These actions are considered important within qualitative research, especially within an area of interest such as our own, due to the unexplored nature of it. Furthermore, it is aligned with the abductive approach. (Merriam, 1994)

In some cases, researchers only aim to present a description of a certain phenomenon. Then, an analysis is not required. However, in our research we have engaged in an analytical process in order to make sense of our empirics. We are avoiding a descriptive level, where most of the concluding process is left for the readers. The purpose of our analysis was to consolidate, reduce and interpret the data, to be able to present trustworthy conclusions. (Merriam, 1994)

After our empirical production, all data was categorized. Besides the obvious factors such as who said what, when and where, the data was also categorized based on our theoretical framework.

Thereafter, the data was further categorized based on convergence and divergence. Hence, we managed to create clear categories, which enabled us to observe similarities and dissimilarities, and draw relevant conclusions upon it (Merriam, 1994). The initial intention was to present each case separately in order to do an in-case analysis, followed by a between-case analysis. However, due to many similar responses among the companies, such an analysis would have been repetitive and rather dull to consume for the reader. Hence, we chose to present the empirics based on the theoretical framework.

According to Merriam (1994), the definition of creating a theory is to discover or manipulate abstract categories and relations between categories. This allows the researchers to engage in qualified speculations about the future. The speculations constitute a projection about the degree that the conclusions from a research may be valid in the future. A theory consists of three elements. Besides the already mentioned element of categories, theories also consist of characteristics and hypotheses. Characteristics constitute those notions that describe categories, whereas hypotheses are the assumed relations between categories and characteristics. As in our case, we aim to create a tentative hypothesis about the Swedish attitude towards using social media for IR. (Merriam, 1994)

2.3.1 RELIABILITY AND VALIDITY IN OUR STUDY

Since we have argued for not using scientific models to study the social world, we also find the terms reliability and validity, which stem from quantitative research, less applicable in our qualitative research. Fortunately, there are other criteria to assess the trustworthiness of qualitative research, namely credibility, transferability, dependability and confirmability. Credibility refers to how well the researchers have understood the members of the social world whereas transferability is concerned about to what extent the findings may be applied in another context. Dependability is equivalent to reliability in quantitative research and refers to the trustworthiness of the presented material and, confirmability is concerned with not letting too much personal values affect the research and its findings. (Bryman and Bell, 2007)

These criteria have guided us during our entire research process. Firstly, after every interview we asked the respondents to summarize our discussion. We then repeated his or her statements in order to make sure that we had understood them correctly. Secondly, all of our interviews were recorded, so that anyone can listen to them, interpret the data themselves and then decide whether our findings may be applied in another context, or not. Thirdly, our recordings, as well as other

records, such as interview notes, have all been kept, which responds to the dependability criteria. Lastly, being three researchers conducting and monitoring the interviews, the confirmability of the research process is fulfilled.

3 OUTLINING COMMUNICATION TECHNOLOGY ADOPTION FOR INVESTOR RELATIONS

In this chapter we present the theoretical framework, which functions as a guide in our empirical production, as well as a tool of analysis. Firstly, we discuss our theoretical area in a broader sense. Secondly, we present the foundation of our framework, namely TAM, which then is revised to fit in an IR context.

3.1 A GENERAL TECHNOLOGICAL APPROACH

Lately, due to exploding technology development that challenges managers to rethink the way their company is doing business, an increased general interest in management and strategy building of technology use has aroused. Ford and Saren (2001) address this issue and state that the majority currently do not view upon technology enough critically, but rather see it as equipment to rely on and trust in; equipment that will solve problems and make sure that everything works out to satisfaction. The authors find that discussions of technology are seemingly, prior to actual knowledge, based on prejudice, stemming from self-consciousness rather than confidence, meaning that people tend to talk confidently about technology because they want to seem trendy and updated. Accordingly the authors imply that, in reality, there are quite a few people that have little knowledge and understanding of technology. Ford and Saren (2001:1) explain that:

“Everyone knows that technology is somehow ‘a good thing’ – rather like having a reputation for being warm-hearted and friendly”.

Then, in case technology is perceived the way that Ford and Saren describe it, why is it that only a small number of companies worldwide are using social media for IR today? Naisibitt et al (2001) discuss the expected efficiency that technology aims at providing and address the stress that new technologies are being cause of. The authors claim that, for a majority, technology developments might be more time consuming than saving. When adopting unfamiliar technologies, time have to be spent on installing and understanding them, which is a process that is never ending due to the continuous development and improvement of technology.

According to the argument of Naisibitt et al., it makes sense that companies have to carefully consider decisions of implementing new technologies. Naturally, there are several aspects that initiate such a decision process. The theoretical framework for this study aims at building a tool through which an understanding can be gained of what factors that affect Swedish Large Cap companies' position towards using or not using the technology of social media for IR. For this, TAM is going to be the point of departure, which then sequentially is revised in order to suit this thesis' field of study, namely IR communication from a company perspective. TAM has previously been applied in scholarly research, for instance, Hossain and de Silva (2009) and Kwon and Wen (2010) have both applied TAM on social media on an individual basis, but not in an IR context. However, their studies support our choice of theory.

Due to an initial comprehension of that none of the listed companies in Sweden currently use social media for IR, TAM will be used in this study to explain reasons for certain attitudes towards new technology. Hence, our use of the model will end at this step, excluding the following aspects that concern *behavioural intention to use* and *actual system use* of a new technology (see figure 2). To clarify this decision, the understanding is that not any listed companies in Sweden have yet reached those stages of the process. Presented below is the structuring of the theoretical framework.

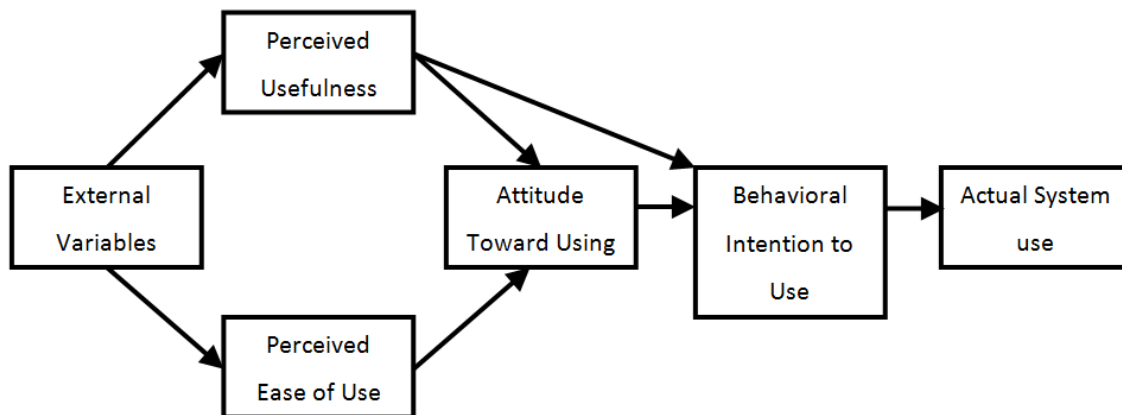
3.2 FRAMING ATTITUDES TOWARD NEW TECHNOLOGIES

3.2.1 TECHNOLOGY ADOPTION MODEL

Davis and Venkatesh (1995) state that TAM was firstly used to guide investment activities through the evaluation of market potentials in the business area of PC-based applications. The model was aimed at addressing explanations of behaviours toward computer usage, and is therefore specifically suited for evaluating attitudes and acceptance towards such systems (Davis et al, 1989). Several researchers (e.g. Hossain and de Silva, 2009; Davis et al, 1989) claim that TAM is the most applied model within the context of technology adoption, and over the years many interpretations and extended versions of the model have aroused to suit specific fields of study. For instance, there are interpretations of TAM in the fields of Internet banking (Talebpour et al, 2009), online learning systems (Zhang et al, 2008) and Internet utilization behaviour (Shih, 2004). Some researchers however, such as Suebsin and Gerd Sri (2009), question the model's applicability on business organizations, claiming that many important internal organizational aspects impacting attitudes and

decisions of technology adoption are lacking. This critique will be taken into consideration; however, the broad use of TAM, even as of today, indicates its validity when studying technology adoption in business organizations. If correctly applied, the nature of TAM should be of relevance also in the context of social media and IR. The original version of TAM is presented in figure 2.

FIGURE 2. The technology adoption model



3.2.2 INTERNAL FACTORS

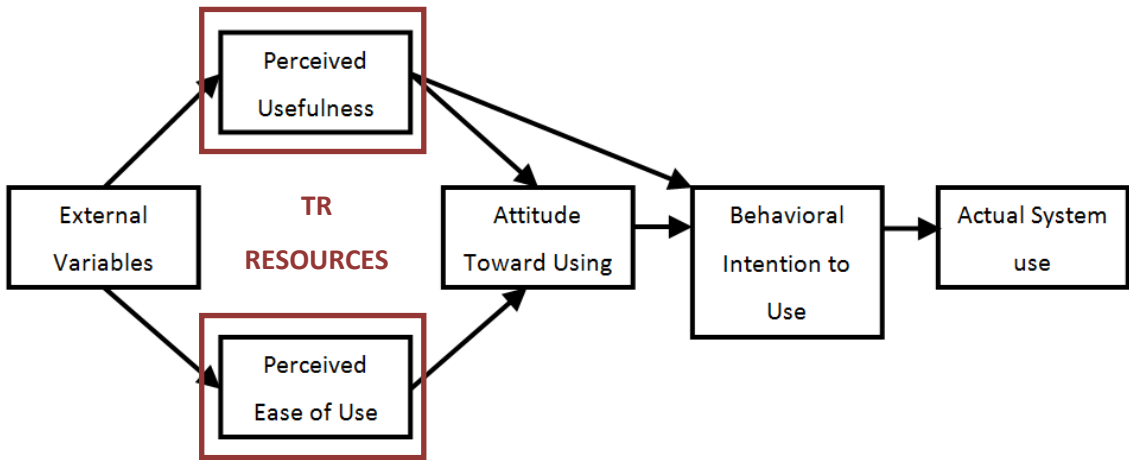
Looking at previous research, Davis (1989) argues that among all defined aspects that somehow might influence the attitude of using a certain technology, there are two aspects that are seen as specifically important; perceived usefulness and perceived ease of use. Davis (1989: 320) discusses the two concepts:

“First, people tend to use or not use an application to the extent they believe it will help them perform their job better. We refer to this variable as perceived usefulness. Second, even if potential users believe that a given application is useful, they may, at the same time, believe that the system is too hard to use and that the performance benefits of usage are out-weighted by the effort of using the application. That is, in addition to usefulness, usage is theorized to be influenced by perceived ease of use.”

Hence, Davis suggests that perceived usefulness relates to the degree of which a certain technology is thought to enhance professional performance, while perceived ease of use relates to the degree of which the same technology is thought to demand an effort. Considering TAM’s supposed lack of

internal aspects mentioned by Suebsin and Gerdri (2009), there is a noticeable parallel between the aspects of perceived usefulness, ease of use and the internal organization. The authors point to several variables, which they would prefer to be included in an analysis of technology acceptance in business organizations and, naturally, it can be presumed that several more exist. Supposedly, all these internal organizational factors impact to what degree a certain technology is enhancing professional performance and how much effort that is needed in order to use it. Hence, in this framework, organizational internal variables are understood to be an implicit part of the aspects of perceived usefulness and ease of use. Under rare circumstance, exclusively all internal factors could be taken into account in this study, why two were chosen that, through initiating research within the field of social media and IR, were repeatedly mentioned. These are namely *technology readiness* (TR) and *resources*. It makes sense that a lack in any of these areas leads to a negative attitude and, thereby, a decision of not adopting, and vice versa. Below, brief discussions based on previous literature of the two factors follows, and it is assumed, and as above described, connection to perceived usefulness and ease of use is illustrated in figure 3.

FIGURE 3. Internal factors



3.2.2.1 Technology readiness

Not surprisingly, new technologies might trig feelings of lost control, a feeling that Walczuch et al (2004) consider when looking into dimensions of TR. The authors argue that the degree of TR that a person has is one determinant of how soon and how well a positive attitude towards the usage of a new technology arises.

Depending on personal traits and backgrounds, attitudes towards new aspects of technology differ among people. The *Technology Readiness Index* (TRI), as described by Walczuch et al (2004), acknowledges technology in general and describes different modes of readiness towards adopting a certain technology. The authors suggest that the index can be used as a tool to gain an implication of people's openness towards, and belief in, technology. However, it does not say anything about the same people's actual competence in using it. Parasuraman (2000:308) describes TR as:

"...people's propensity to embrace and use new technologies for accomplishing goals in home life and at work. The construct can be viewed as an overall state of mind resulting from a gestalt of mental enablers and inhibitors that collectively determine a person's predisposition to use new technologies."

Walczuch et al identify four groups of technology users, two of which are motivational and two of which are inhibiting. People that belong to the groups of *optimism* and *innovativeness* are according to the authors likely to adopt new technologies and accept the benefits of doing so. Due to the technology, these people feel a gain of control, flexibility and efficiency in life, which in turn naturally makes them first users. In a business context, being on the upper scale of technology readiness and among the early adopters could supposedly lead to advantages of being ahead of competitors on the market. According to Suarez and Lanzolla (2005:122), a first mover advantage is:

"...a firm's ability to be better off than its competitors as a result of being first to market in a new product category. We (the authors) find it useful to distinguish between durable first-mover advantages, which improve a firm's market share or profitability over a long period and those that are short-lived."

Suarez and Lanzolla (2005) argue that even if a durable first-mover advantage should be the aim of business organizations, even a short one could be greatly beneficial, why it should not be underestimated. However, as discussed by Sandberg (2001), first mover advantage does not implicate a necessity of being first-to-market. Making use of already existing technology, meaning being the first to leverage technology that is already available or offering a simple product solution that can be easily mastered by the business organization, are a couple of alternative ways in order to gain competitive advantage.

Parasuraman (2000) looks into the aspect of technology penetration and actual use. He points to the fact that penetration of a certain technology over time is increasing in line with the diffusion process, but, on the contrary, that usage is decreasing. According to Parasuraman, a possible explanation for

this relation is that late adopters might not be skilled or confident enough to become devoted users of the technology they adopt. Walczuch et al (2004) define these late adopters in the two technology inhibiting groups of *discomfort* and *insecurity*. According to the authors, these people feel uncomfortable using new technologies and thereby have little interest in doing so, which naturally makes them late adopters. In similarity to Parasurama, Walczuch et al argue that the general standpoint for the two groups is that technology is overwhelming and causes a lack of control and security, why it cannot be trusted.

3.2.2.2 Resources

Allocating resources within a company is a matter of prioritizations, a problem that managers have to face (Madhava Krishna and Hexmoor, 2005). In the context of IR, Gruning and Hunt (1984) point to the fact that operations require certain knowledge and skills of business financials, legislation and PR. On that note, IR in itself is a quite complex and highly specialized field that call for human resources of several kinds. On top of that, the technology industry is rapidly and constantly changing, craving availability of another type of knowledge in any company engaging in information technology. The importance of continuous educational efforts is therefore becoming increasingly significant (King et al., 2002). Jiping (2009:1) defines the significance of organizational learning in the business environment of today:

“In the current postindustrial society characterized by knowledge-intensive environments, knowledge and information are replacing capital and energy as the primary wealth-creating assets, and thus the importance of organizational learning cannot be overemphasized”.

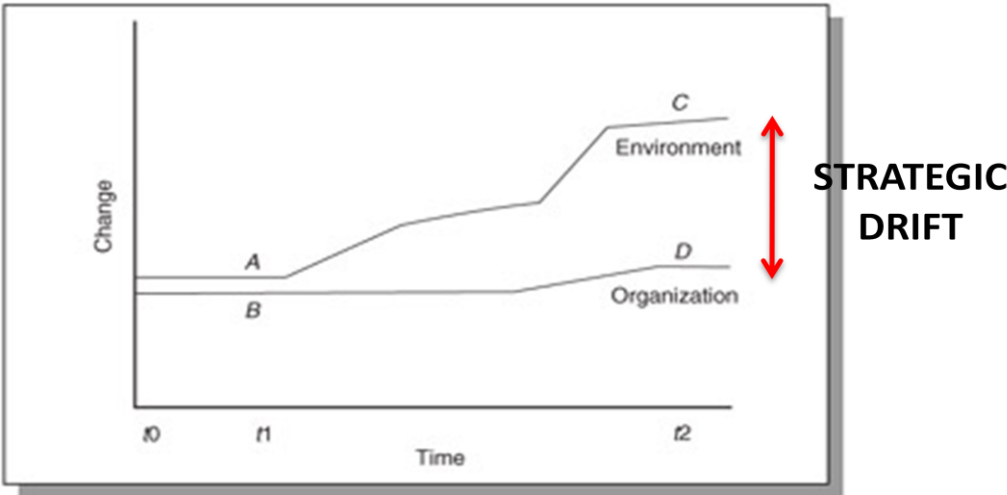
Jiping (2009) continues about how business organizations learn and states that they do so through being interactive with other actors in the surrounding environment and through taking responsive actions based on feedback of experiences in the past. Through this, business organizations can learn from two perspectives; they can learn by own experiences as well as by others.

Alternatively to organizational learning, several researchers suggest to hire external consultants for successful implementation of new technology (e.g. Mateas, 2008; King et al., 2002). Mateas emphasizes the significance of that business organizations never neglect core competencies, what they are really good at, or what resources these demand. Instead, new technologies should be a complement to already existing activities, though not suggesting less need for attention towards

such. The author believes that it might be too much to ask of employees to handle both current and, due to the new technology, new work tasks simultaneously, why consultants come in handy and can dedicate their time fully. On other grounds, King et al. suggest hiring of consultants in case TR, in the department concerned by a certain new technology, is low. The authors argue that a higher degree of TR can function as a facilitator in the adoption process of new technology.

As discussed above, circumstances in the surrounding environment force companies to continuously improve and adapt their business processes. In order not to get behind competitors, it is essential for companies to act in symmetry with their environment, in other words, changing in a timely manner with their surroundings. Heracleous (2003) addresses this issue, claiming that it has become increasingly important for companies to analyze and evaluate aspects of the surrounding environment that affect or influence the organization. The author stresses that, in case timely and correct adaption to the volatile business environment is not achieved, there is a great risk to get trapped in what is called *strategic drift*. In such a case, a company is sliding further and further away from reality, eventually becoming mismatched to the market and its performers, which according to Heracleous can lead to disastrous consequences. Freedman (2002) argues that a strategic drift is often caused by an ignorance of implementation; when there is a lack of understanding of where the company is heading in order to stay competitive. Heracleous continues to emphasize that, in any organization, there is no optimal strategy. Blindly working along a set strategy - even one that may have been the best in a former time or place - without looking to changing conditions in the surrounding environment, is a very risky game.

FIGURE 4. Strategic drift

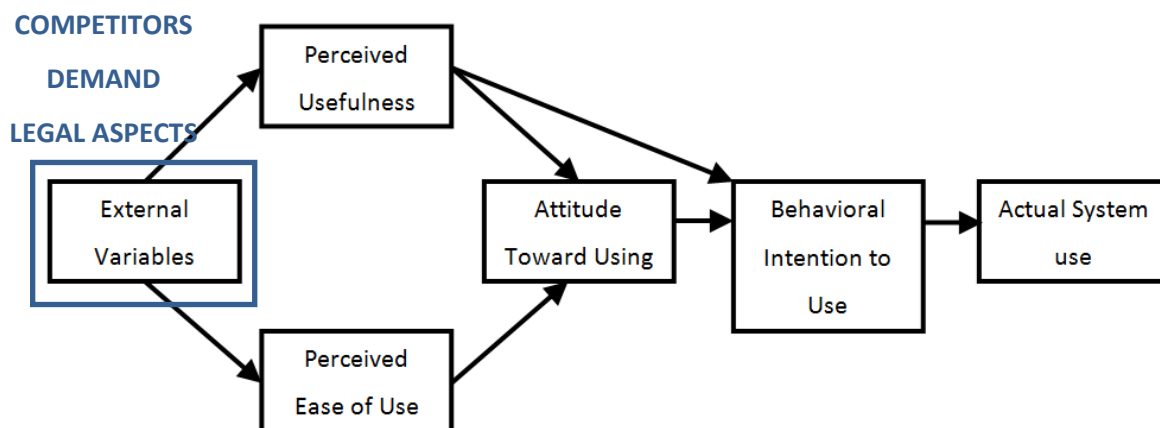


3.2.3 EXTERNAL FACTORS

Considering our focus on social media, King et al (2002) emphasize the uniqueness of Internet technology adoption processes compared to other, such as software application or operating system adoption. Since the Internet is public, decisions to implement such technologies stretch beyond the internal organization. Thereby, the authors find that stakeholder relationships are greatly affected by what and how information technology systems are implemented. Hubona and Kennick (1996) also address the external aspects. The authors argue that the TAM aspects of perceived usefulness and ease of use are both based on beliefs; a subjective estimation of what results a certain action might lead to. Since much research has focused around these two aspects, Hubona and Kennick investigate the role and importance of external aspects in decisions regarding technology adoption. Their results validate that beliefs, in terms of perceived usefulness and ease of use, play a major role in the process, but that external aspects also are significant, why these cannot be neglected.

Accordingly, apart from gaining an understanding of perceived usefulness and ease of use, another key purpose of TAM, also pointed out by David et al (1989), is to map out what external factors that influence the internal aspects of the model. In similarity to the internal aspects discussed above, the external ones are by far too many to be covered in this study. Therefore, three main external aspects have been identified. These are namely *competitors*, *demand* and *legal aspects* and are discussed below. The construction of the assumed and above described situation is:

FIGURE 5. External factors



3.2.3.1 Competitors

The definition of competition in a business environment is that companies become competitors when they are competing for the same money (Kotler et al, 2008). Normally, the definition refers to a competition of the customers' money. However, in a broader sense, when addressing this external factor it is not relevant to determine which industries the different companies belong to. In the case of IR, the investors are the customers and companies are competing over the same investors' money – regardless of what products or services the companies provide to the market. Hence, all listed companies should be regarded as competitors. A company should engage in assessing the competitors by determining their objectives, identifying their strategies, evaluating their strengths and weaknesses and estimating their reactions, in an investor context (Kotler et al, 2008). Furthermore, as stated by Heracleous (2003), in our current turbulent business world companies are encouraged to think in new ways. A company must realize that it is not just competing for existing market shares, but also for shares in the future market. Companies must take bold approaches and re-write the competitive rules of their industries.

“Sustainable competitive advantage in this new environment can come only from continuous innovation and adaptability”. (Heracleous, 2003:74)

The effect of the industry environment on technology decisions is an issue that King et al (2002) address. The authors argue that the way that competitors use technology and what they offer customers are some of the factors impacting a companies' decision of technology adoption. Bierly and Hamalainen (1995) build on this when emphasizing that, within an industry, the trend seems to be that innovations spread quickly as companies tend to copy each other; they learn together. One way of copying processes of competitors is benchmarking, which Szejczewski (2009:16) defines as:

“Benchmarking involves measuring and comparing business processes employed in your own organization with comparable processes in other leading competitor organizations to obtain information that will help identify and implement improvements.”

Through this, Szejczewski point to every company's opportunity to improve internal processes by watching and learning from best practice competitors. It is explained that benchmarking does not have to be a complex and in-depth procedure, but can be a simple comparison to evaluate one's own efficiency. Stork (1997) explains that the purpose of benchmarking is to reveal good ideas for certain

business areas that the company itself has not discovered and to make use of these ideas, turning them into action.

3.2.3.2 Demand

Gruning and Hunt (1984) point to literature on financial PR and state that companies strive to understand what information stakeholders want and how they want it, or more specific, how they can be better served in a financial context. Guimard (2008:90) explains that there are constant and wide expectations coming from the financial market, which are crucial for companies to respond to, and states that there *“are expectations about both the form and content of financial communications.”* The author claims that, the ease of which financial data can be found online is increasingly becoming the definition of accessibility among consumers.

Chien-Hsin (2007) argues that the perceived value of an Internet based service is greatly depending on the TR among the service consumers. Through the same argument, Lam et al (2008) suggest for companies engaging in new forms of Internet technology to identify the four dimensions of TR among stakeholders in order to act properly. The authors find that engaging in high-risk internet-activities call for substantially more attention towards TR segmentation than low-risk ones, why extensive efforts must be directed towards segments of low TR, as these need to be additionally reassured of the technology’s safety and benefits. However, in the introduction stage, focusing on early adopters is the key in spreading new technology. Lam et al (2008) continue by declaring that early adopters are likely to become opinion leaders and thereby influence perceptions of, and decisions about, the new technology in the society.

Further, Linton (2004) looks into methods through which companies can forecast likely demand of emerging technologies; technologies that are yet in the early stage on the market. He declares that dealing with technological processes appears different in terms of demand-supply compared to regular products. Linton (2004:109) explains the problem of technology demand as follows:

“One consequence is that the capacity to supply may exceed customer demand for the process technology overall (a surplus), but that certain product markets with specific technical or performance characteristics may be supplied constrained (demand exceeds supply – a shortage).”

3.2.3.3 Legal aspects

In order to maintain a functional and efficient financial market, corporate disclosure is a key feature; financial information is of great value to investors. Companies disclose themselves through providing public documents of various kinds, such as financial reports and statements. In all countries around the world there are various regulations of corporate disclosure that companies under all circumstance have to oblige. (Healy and Palepu, 2001)

Gruning and Hunt (1984) state that legal requirements both oblige and limit the IR communication. The authors emphasize that it is important in the context of IR to separate it from marketing; IR communication is not about selling shares, but providing information for a fair evaluation. Hence, IR operators cannot, unlike other PR professionals, make use of media tricks, but have to communicate in an honest and open way.

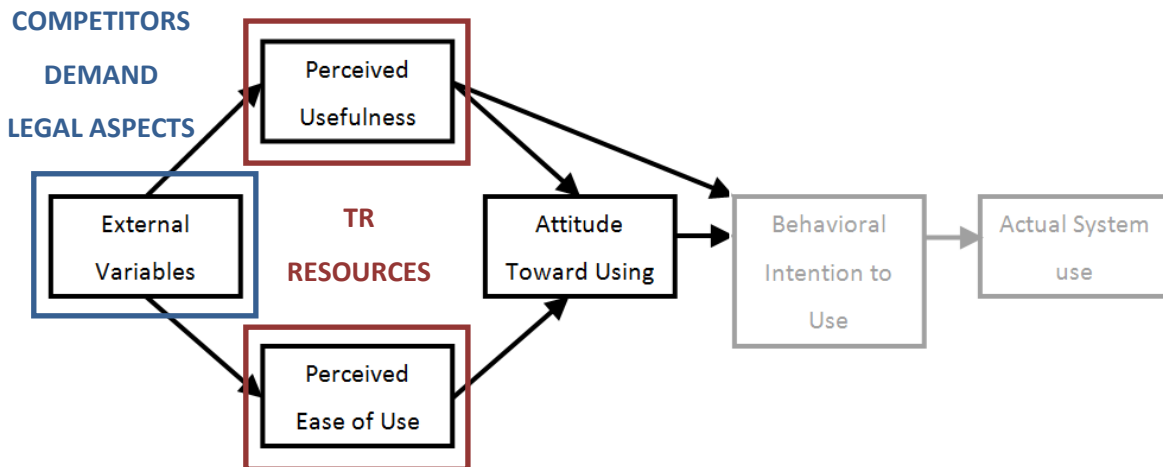
“...financial public relations specialists have fewer options when they design their programs than other public relations specialists.” (Gruning et al, 1984:348)

In Sweden, it is the Swedish Financial Supervisory Authority (Finansispektionen, FI) that monitors the financial market and ensures compliance with the regulations, which are based on Swedish law and EU rules. FI takes action if an actor on the financial market is suspected to violate the regulations. Besides the concrete penalty of having to pay a fine, FI's actions also results in a harmed financial brand for the violator (Finansinspektionen, 2010).

3.3 OUR APPLIED THEORETICAL FRAMEWORK

The discussion above has led to a final construction of a theoretical framework that is aimed at helping us understand what causes the current positions towards using or not using social media in the context of IR in Swedish Large Cap companies. The frame is presented below:

FIGURE 6. Our revised TAM



By analyzing the case companies through the identified internal and external factors, this framework can provide clarity to what factors that drive respectively inhibit attitudes towards adopting social media for IR in Sweden. It also gives managerial implications on how to approach the current situation and future development of technological tools.

4 SWEDISH COMPANIES' POSITION IN THE DEBATE OF USING SOCIAL MEDIA FOR IR

This chapter contains our empirical production. The chapter is divided into the TAM factors of the theoretical framework and the empirics are presented accordingly. Under each headline, a summary of the eight case companies' positions towards the specific factor is presented. First, the internal factors of TR and resources are presented, which is followed by a presentation of the external factors of competitors, demand and the legal aspect.

4.1 INTERNAL FACTORS

The internal variables of perceived usefulness and perceived ease of use are important to consider when studying the adoption of a new technology. The perceived usefulness is related to the degree of which a technology is perceived to improve performance, whereas perceived ease of use refers to the balance between a certain technology's benefits and the invested efforts it takes to learn and actually implement it. When adopting a new technology in an IR context, TR and resources are the two factors identified to affect the internal aspects of perceived usefulness and ease of use.

4.1.1 TECHNOLOGY READINESS

Most of the respondents seem to have identified a potential for the use of social media in a general business context, but few are aware of how they could develop such activities within the area of IR. This unawareness is in some cases based on a lack of interest, where respondents cannot visualize the benefits of using social media for IR. For instance, the respondent at H&M states that, being a fashion house, which is sensitive of trends, it is important to be wherever the customers are. However, the IR department reasons in conservative terms. H&M's respondent explains:

"We do not sell shares, we sell clothes...we are conservative with everything that does not concern fashion."

The respondent at Trelleborg shares this view by expressing that both the knowledge of, and interest in, using social media for IR is very limited, whereas NCC's respondent explains that the company has not yet identified the benefits of social media. The general standpoint for the latter is that such communication is not suitable for IR due to the fact that it is interactive. NCC's respondent states:

"For me, IR is only about providing information. It is then up to the actors on the financial market to evaluate the information themselves."

Most of the case companies use social media to communicate with stakeholders in other business areas, such as marketing, but for IR, websites is the closest form of such technology. Many of the respondents emphasize that much time and effort is spent on continuously developing their websites. For instance, SKF works in collaboration with an external agency, Alert IR, to design their website. Compared to other companies in the study, SKF has come a relatively long way in the social media discussion. For instance, SKF's respondent explains that the company provide their website visitors with a possibility to effortlessly share SKF's financial information on, for instance, Twitter and Facebook. Furthermore, SKF is currently using Slideshare to share IR related information. With the use of Slideshare, the company is able to upload and publicly present slides with financial information, which then may be commented by the readers. However, the commenting function is being very modestly used. The company has up till today (2010-05-09) uploaded 17 presentations and 18 documents, which only are followed by one person (SKF Slideshare, 2009).

Besides SKF, all of the other respondents state that they currently are not using any kind of social media for IR. Some of the companies have discussed the matter, whereas some others state that they are planning to discuss whether social media is an appropriate channel for their IR activities, or not. Most of them feel that the adoption of social media for financial communication is too radical and they still rely on the traditional channels. Securitas' respondent claims that they are having a hard time relating to social media and that they do not know how they could go about using it, and TeliaSonera's respondent states:

"We haven't even mapped it out or prioritized it, but will look deeper into it in May or June and then make a decision during the autumn."

All respondents agree that, especially in the IR context, considering the regulations surrounding it, the company should act carefully in adopting new communication technologies, such as social media. There is evidently a risk in changing already functioning operations. The respondent at Lindab

explains that the company “feels a certain insecurity for the unknown”, and states that this might be caused by a feeling of lost control. Lindab’s respondent continues about how the decision to use social media for IR would have to be based on some sort of corporate policy, in which the frame for usage is clearly described. Currently, that policy is far from being realized as social media sites are banned at Lindab. Computers at Lindab are unable to access such websites due to security reasons and the risk that employees are wasting time on such websites, instead of working. However, Lindab’s respondent states that they are publishing Flash presentations on the company’s IR website, which has been a successful presenting tool. Whereas this tool is still merely used for information purposes and not applied in an interactive way.

Several of the respondents express an anxiety towards using social media for IR. They states that the risk of losing control increases by the number of channels being used for financial communication. All respondents, besides SKF, declare themselves late, or at the best average, adopters in embracing new communication technologies in an IR context. H&M’s respondent claims that the company is absolutely not one of the first ones to adopt new communication technologies, whereas Boliden’s respondent states that “we are a Swedish ‘just enough’-company”, meaning that the company finds itself being an average adopter. The respondent at SKF on the other hand, declares that they recently finished runner up in an IR contest and that they probably have been a front-runner over the last years within this area. She further states that the company was one of the first to publish an IR website, more than eleven years ago.

Furthermore, the understanding of social media as a technology was also discussed and many of the respondents feel that they are lacking an understanding of how they actually are supposed to use the communication tool to improve their IR activities. At Securitas, the respondent states:

“If we were to use too much social media, then it would not be a dialogue. At the same time that I inform the market, I want to know how they interpret the information. Feedback is important and I am not sure that I could get that through social media. It might be possible to use social media as a complement...It ‘beats me’ so far.”

4.1.2 RESOURCES

All studied case companies are currently having relatively limited IR departments. Most commonly, they consist of between one to three employees. These employees usually plan and coordinate the

IR activities, but it is usually the CEO or the CFO who acts as a spokesperson for the company and its financial information. Several of our respondents state that the IR department, to some extent, collaborates with the communication or press department. Furthermore, a number of our respondents point to the fact that IR activities often are less prioritized within an organization, compared to other operational departments. For instance, the respondent at Boliden expresses that in their industry, other areas, such as environmental issues, are of greater concern. The respondent at H&M further discusses the allocation of organizational resources from a company perspective:

“What do we want to achieve and to what cost? It is better to focus on operational activities in general, meaning our core business, than on investor communications.”

However, allocating resources is not merely a matter of prioritization on a corporate level, but also on a departmental. Several respondents describe their job to be quite stressful, especially during certain months. The respondents mention that there is always a constant issue of how time is being spent. The respondents describe this to be a challenge, as the aim is to always be as efficient as possible. On this note, the respondent at Trelleborg emphasizes the importance of being on top of things, in communicating with the financial market, knowing who you meet and be sure to spend the right amount of time and effort on the financial stakeholders. SKF’s respondent addresses the issue of prioritization from an IR perspective:

“The IR department is very busy all the time, why we have to prioritize the time we spend on each activity. If we decide to use Twitter, the time we spend on doing so must be cut from some other activity.”

The majority of the respondents agree that adopting social media into their operations would call for more, primarily, human capital. Communicating through social media would require constant monitoring of the web and an active participation. If an initiative to use social media for IR is not given enough attention and continuous maintenance, it is likely that the operation becomes a failure. NCC’s respondent describes the situation as follows:

“Social media engagements require plenty of resources in order to correct and follow up on issues and comments that are misunderstood or inaccurate. If there is not enough time to respond, false rumours can be thought to be correct... In case we start commenting and correcting what others say on the Internet, we must also continue doing so.”

Nevertheless, some respondents state that using social media for IR could, to a certain degree, simplify the communication process and increase the efficiency. They are then referring to the possibility to communicate simultaneously with many stakeholders. The respondent at Trelleborg emphasizes this when stating:

“It would obviously make it easier for me if more stakeholders could gain access to the information simultaneously...If you have some sort of forum, the information published is saved, so that those who do not access it immediately can go back to it.”

Whereas none of the respondents currently feel confident or skilled enough to implement social media for business purposes, some of them are still aware that companies abroad are doing it successfully. Some respondents express a significant interest in looking at best practice examples abroad and, if it is possible, to identify benefits and thereby copy or get inspired by their strategies. For instance, Boliden’s respondent explains that IR professionals influence and affect each other in their ways of doing things; they share experiences with one another and thereby if one adopts a new technology, others will most likely be interested in the use of it.

Among the respondents, one of the most expressed negative elements of using social media for IR was that it lacks relevance in business context and the feeling that traditional methods are better. Personal meetings and telephone calls are thought to provide closeness between the company and its financial stakeholders. Through social media communication it is found to be difficult to project the entire situation or describe the background of a certain matter, something that is of utmost importance when communicating with the financial market.

Securitas’ respondent summarizes the discussion of recourses well when answering what inhibits them the most to use social media for IR:

“Lack of time! We do not have a large IR department. We are a pretty slim organization, which means that we have to prioritize carefully. Consequently, I do not sit and use Facebook during working hours. I have so many other things to do.”

4.2 EXTERNAL FACTORS

In our revised TAM, it is the external variables that influence the internal factors of perceived usefulness and perceived ease of use. External variables refer to those factors that come to have the most impact on the way that a certain technology is perceived to enhance performance and demand little effort to use. With this definition, in an IR context, the external factors of competitors, demand and legislation, are studied.

4.2.1 COMPETITORS

As mentioned earlier, some of the respondents in this study are aware of the fact that foreign companies use social media in an IR context. When the question was raised, the ones that were unaware of this fact did not picture how this communication technology could be successfully implemented. As the respondent at Securitas states: *“I have not seen any good examples of listed companies who use social media in a successful way”*. However, none of the respondents that knew about companies abroad that use social media for IR were not certain on how they could implement it in Sweden.

Several of the respondents emphasized that in case social media becomes a hygiene factor, a tool that is an obvious part of the daily communication and a tool that other companies on the market use, they would probably have a different position towards the use of it. They point to the fact that it then would be more relevant for them to engage in social media in attempts to understand it better and make the most out of it. Securitas respondent explains this standpoint:

“We would use it if it becomes a hygiene factor, something that everyone uses...If it becomes a self-evident tool for listed companies, then I would also use it. I will not act as a pioneer, but rather as a follower. If many start to use it, we can identify an added value, and if it is appreciated by the analysts and investors, then we will consider using it.”

Some of the respondents felt that it is important to follow trends and form an opinion of how competitors are acting. They state that they find it significant to be conscious of how other actors on the market handle certain issues, especially the ones in the company's own field of interest, and to learn from one another. It is quite common among the respondents that they have frequent contact

with other business professionals that are working with the same type of processes, such as other IROs, and that they together share experiences. Through such information exchange they can all improve the business performances. Boliden's respondent states:

"If we all compete for the investors' money, it is independent of what industry you are in. We are trying to keep track of what other companies are doing in a particular area...I think we influence each other. Everybody wants to be good at what they do and if there are new tools that can make us better, we are obviously willing to look in to it."

Other than if social media were a hygiene factor for IR communication, several of the respondents state that they would be more likely to consider this new communication technology if they could find successful examples of foreign companies' social media implementation. They argue that through looking at best practice examples they could study these companies' ways of handling the situation and better understand how it could be implemented in Sweden and for their company. In order to do so, some IROs claim to be using external experts that helps them to monitor what other actors on the market are doing, which keeps these companies continuously updated. Furthermore, some respondents feel that their companies in general are still just beginners in using social media, why they feel that they, before considering it in the IR context, want to watch and learn how other departments make use of it. NCC's respondent states:

"I want to wait and see how NCC in general, as well as other companies' IR departments, chose to use it. I have no ambition to be the first who uses it."

Regardless of current engagements in monitoring the market and the competitors, most of the respondents express an interest in following the progress of using social media for IR, both on the national and the international arena. However, they are not distinctively convinced of that this communication technology is here to stay. Some of them emphasize that this is a new phenomenon for them in an IR context, and for all they know, this could be a short-lived trend. At the same time, while expressing this scepticism, most of the respondents still point to the fact that business conditions continuously change, and that the pace of that is not something they are in control of. They especially emphasize that, due to the information society of today, communication processes are bound to transform, why it becomes increasingly important to be observant of changes on the market. For instance, SKF's respondent declares:

“Conditions are rapidly changing and in the future people will gather information in new ways. We therefore have to be positive and consider the circumstances in order to accustom. We will adapt whenever we can, but we are not going to be overpowered by change if we cannot find any value in change itself.”

The previous discussion is aligned with the opinion of the respondent at TeliaSonera:

“It is important to look at how other companies use social media for IR. What are the advantages? What are the disadvantages? What resources does it require and how is the legislation aspect handled? It is an act of balance... We are very interested in shortly scanning other companies to see how they work, in order for us to make a decision of adopting or not. We want to base this decision on facts, not a gut feeling.”

Most of the respondents state that they are explicitly monitoring Internet activities, which are of relevance for the company in general, in order to keep updated. Yet, this is often not driven by the IR department, but rather by the communication or press department. In the IR context, such activities are more rarely expressed among the respondents. It is clear that the engagement in understanding and learning about competitors’ business processes differs among the responding companies. While some respondents claim to be quite active and dedicated in scanning their business environment, or at least planning to be in short, others are more passive, expressing that IR issues are not prioritized.

4.2.2 DEMAND

Regarding the demand for companies to use social media for IR, none of the respondents had explicitly asked their financial stakeholders if this is something they desire. Despite this, most of the respondents argued that the demand of new communication tools was a major factor in such decisions. The respondents declared that, in case they felt that social media was something that stakeholders asked for, they would likely feel more driven to adopt this communication technology in the IR context. However, in the current situation, few had sensed such a demand. For instance, TeliaSonera’s respondent states:

“We have not received any hints about that they are missing it... For instance, we have about 30 analysts who are following us. They have not asked for it.”

Among the respondents, many were even questioning if the actors of the financial market were actually yet aware of that social media could be used, and is being used, for IR purposes. With that standpoint, they believe that traditional methods of IR communication are still what stakeholders want. The fact that person-to-person contact is much appreciated among investors and analysts was repeatedly emphasized. Through such communication, the respondents claim that additional value, compared to mass communication via the Internet, is gained due to the fact that both parts are able to see and read expressions and body language. The respondent at NCC emphasizes this when stating:

"We use a lot of personal meetings to be able read body language and get a feeling about the person who is in charge of the company. You can't replace that!"

The respondent at Securitas further discusses the subject:

"I rather email them if it is something I want them to know and if they have questions they can call me...I prefer the personal communication, it is called Investor Relations for a reason."

Traditional IR communication methods, such as telephone, e-mails and personal meetings, are perceived to be what stakeholders demand, hence, this is the main method used by all the respondents. Some respondents believe that through traditional channels they are, to a greater extent, able to receive feedback from their stakeholders. The respondents further explain that they are unsure of whether or not social media would give them the same amount of feedback. Then, using social media would make it more difficult to sense communication demands. Securitas' respondent states:

"I don't believe it would be the same amount of give and take with social media You want to create a dialogue and not just deliver information, so would the market appreciate this (social media)?...When I tell the investors something about Securitas I also want to know how they perceive the information and get feedback from them. Will I get that from social media?"

Some respondents argue that they believe the demand from their financial stakeholders concerns the actual information, rather than which channels are being used. On those terms, the respondents emphasize that they do not believe that an obvious demand of social media for IR will arise. They further point to the importance of the relationship, not only on the company's behalf, but also on,

for instance, the investor's. The respondents explain that there is rather a demand of good and beneficial relationships than on using certain communication tools. NCC's respondent states:

"I don't think the relationships would have been better if we used social media. It is more about content, than channel. The relationship is based on the information we provide, which therefore is more important than the channel we chose to distribute the information via."

Furthermore, considering the demand of prosperous relationships, the majority of the respondents discuss the fact that many actors of the financial market want to feel exclusive, which a personal meeting or a private phone call can create. They argue that, for such exclusivity, social media seem to be leading in the wrong direction. The investors are thought to appreciate the time that IROs spend solely on them. For instance, the respondent at TeliaSonera states:

"We have not seen a demand (of social media) from our target audience...they prefer talking on the phone and it is their number one communication channel."

Some respondents perceive the lacking demand of social media among stakeholders to be a cause of insecurity towards using such technologies, especially in the investment context. It is believed that social media is a communication channel that is better suited for a younger audience than for their main IR target groups. The respondents find it hard to believe that these groups search for financial information via social media. This is emphasized when SKF's respondent states:

"I find it hard to believe that the people we target with our financial communication are present on Facebook and Twitter... The ones that are present there, does probably not belong to our target group. Those who are our owners are maybe not the first to use Twitter, instead they claim information straight from us."

Regarding communication channels in general, some respondents believe that certain categories of their financial stakeholders would have an interest in being provided with financial information via additional channels, whereas some would not. For instance, some respondents doubt that analysts want to use social media for financial communication, but thought that journalists and shareholders potentially would appreciate it. The respondent at TeliaSonera expresses that *"it is obvious that analysts want to have access to as much information as possible in order for them to make a better analysis"*, and then continue describing analysts as *"insatiable nestlings"*. Hence, it is explained that the analysts' demand of communication processes therefore might differ from the demand of other

actors of the financial market, why it becomes important to listen to their requirements. TeleiaSonera's respondent continues by stating:

"Analysts are unwilling to share their information with other analysts. It is quite natural that they want to keep the information for themselves to be able to conduct a good analysis. In that sense, social media is not their choice of channel. They are individualists."

However, a couple of the respondents had a different point of view regarding the demand among the categories of financial stakeholders. These respondents believed that all those stakeholders would appreciate more channels of information, even though they had not experienced an explicit demand. This standpoint was discussed by the respondent at Trelleborg from a yet another perspective. Through social media, financial stakeholders could reach one another, discuss among themselves and read comments on previously published information. This would help the investors to increase their knowledge about companies' and other actors' state, hence facilitating the investors decision processes.

On the other hand, the downside of these interactions is also discussed, as some actors of the financial market are likely to be quite secretive. For instance, the respondent at SKF states:

"If you use Twitter instead of e-mail, everybody can read the answers. Investors would be interested in getting information through email instead. They do not want to be open to everyone when speculating to buy a stock."

Further, NCC's respondent argues, aligned with the discussion above, that:

"Analysts are not very open with their thoughts and value assessments. They would like to keep their analysis to themselves and to their customers."

4.2.3 LEGAL ASPECTS

All respondents argue that the legal aspect is one of IR communications' major concerns, and this aspect was repeatedly emphasized in the discussion of social media use for IR. The majority of respondents brought up the fact that stock related information has to reach all stakeholders simultaneously. Some of the respondents expressed a worry of that the use of social media in an IR

context accidentally could violate the law. They argued that they found a risk in engaging in such technology due to the fact that some parties could unintentionally be favoured by information that did not reach the public at the same time, even though not meant to be exclusive, which obviously would lead to a violation of the Swedish regulations. SKF's respondent declares:

"(Using social media for IR) is in conflict with the aim of informing all at once and making the information accessible to all simultaneously... We are not allowed to release information if we do not provide it to everybody at the same time."

Securitas respondent further emphasizes the discussion above when stating:

"Adopting new technologies for communication of sensitive information could be devastating."

A couple of the respondents mention that they will act extra careful if adopting social media for IR, due to the fact that they have heard of other companies abroad where IR employees, who engaged in social media, accidentally published financial information that was not yet official. They emphasize that such examples are discouraging implementation of this communication technology, arguing that it is better to be safe than sorry as mistakes are easily made. Boliden's respondent describes such a failure implementation of social media in the IR context:

"A CEO blogged about his company, and it all ended up with selective information being published... That is the risk with blogging about your own development. There has to be certain regulations regarding financial communication... There is a lot of pressure all the time and the more channels you use, the greater the risk that something, somewhere goes wrong."

However, some respondents argue that there are ways of minimizing the risk of violating regulations when using social media for IR. They argue that in case social media is used in order to provide additional information that is not tied to legislation, such as explanations and clarifications of already provided financial data, then the risk of using such communication technology would be minimized. However, most of the respondents still argue that they do not want to be first out in using social media for IR, but rather wait and see what others do and act in accordance to that.

The majority of respondents further argue that communicating with the financial market is not only about complying with the law, but also about respecting company policies of how much information to actually provide, as stakeholders are thought to always want more. Through this, the respondents

emphasize the dilemma of how to deal with the transparency of the company; a limit has to be set of how much financial information to share. As stated by TeliaSonera's respondent:

"It is always an act of balance. The analysts wants as much information as possible to be able to conduct a better analysis...The problem with IR is that if you open up a case (sharing information on social media) you can't turn back. It is very important that you know that what is being opened is sustainable."

5 ANALYSIS

In this chapter, our empirics are analyzed through the theoretical framework of our revised TAM. The following analysis, based on internal and external factors that influence the adoption process of a new technology, aims to outline the driving and inhibiting factors related to the use of social media in an IR context.

5.1 ANALYZING THE INTERNAL FACTORS

The internal aspects of TAM relates to a measure of to what extent a certain technology is perceived to enhance professional performance and the perception of how much effort that technology would require. As seen in our theoretical framework, we have chosen to look at these aspects through the two factors of TR and resources.

5.1.1 TECHNOLOGY READINESS

Walczuch et al (2004) and Parasuraman (2000) defines the term TR and how it is used. Further, the former authors also describe the four types of TR dimensions, namely innovativeness, optimism, discomfort and insecurity. According to the author, these refer to a person's, or a group's, openness and belief in technology, in other words, how well technology is embraced. The people of the two former dimensions are usually early adopters, as oppose to the people of the two latter, who usually are late. Among the studied companies, we have learned that most of them are active in using social media for other business purposes than for IR, which indicates that the companies in general are relatively up to date in adopting new communication technologies. However, our research has not been focused on mapping out TR for the companies at large, why no comprehension of how early or late such adoption took place, or of how technology ready they are, has been gained. Regardless of the companies' degree of TR, since most of them currently are active in social media forums and since this technology has become a buzz in the business society, we find it quite surprising that the use of it not yet have made its way into IR departments. Among our respondents and the companies they represent, we found an explicit unawareness of social media in general; some respondents were even completely lacking interest in investigating how this could be beneficial for them in their

communication routines. For instance, this disinterest was clearly shown in the respondent of H&M's statement:

"We do not sell shares, we sell clothes...we are conservative with everything that does not concern fashion."

It was obvious in our research that many of the interviewed IROs are very conservative in their way of handling IR business, indicating certain reluctance towards using new technology in their operational processes. As many of them emphasize that they are putting much effort into continuously developing their IR websites it seem as though they are stuck in old habits; they are not taking notice of arising technology, such as social media. SKF is the only company in our study that has come further in the use of other than traditional technical communication for IR. SKF's IR department uses Slideshare, where consumers can view and comment on uploaded financial presentations and the company also uses a social media application that allows consumers to share their financial data via personal social media accounts. However, the fact is that SKF are not actually being active participators; there is no interactivity or actual engagement on SKF's part, why their use of social media could definitely be further explored.

All of our interviewed IROs agree that they will act more carefully than bold in adopting social media for IR. Many agree with the statement by Boliden's respondent of that *"we are a Swedish 'just enough'-company"*. This approach is mostly due to strict legislation regarding release of financial information, but clearly also due to a fear of using new technology and an anxiety of losing control. This becomes especially obvious in the way that the respondent at Lindab, when discussing the use of social media for IR, describes the fact that she does *"feel certain insecurity for the unknown"*.

In general, what we see from our interviews is that there is certain reluctance towards implementing social media for IR purposes; most of the respondents do not seem to be open towards new communication technologies. All of them, even the ones that are interested in social media, are yet lacking knowledge and understanding of it. Securitas' IRO states:

"If we were to use too much social media, then it would not be a dialogue. At the same time that I inform the market, I want to know how they interpret the information. Feedback is important and I am not sure that I could get that through social media. It might be possible to use social media as a complement...It 'beats me' so far."

This statement indicates that there is an obvious lack of knowledge of, and confusion about, social media and it shows insecurity towards using it. Logically, an increased interaction and dialogue with the capital market would result in more and better feedback from a company's financial stakeholders. However, social media is not yet trusted. Further, none of the respondents, except for possibly SKF, aim at being the ones who introduces this form of communication on the Swedish market; many want to wait and see what will happen and what others do before acting upon it, which shows that they are acting carefully.

Through our research we find that all of our respondents would be categorized in the groups of discomfort and insecurity according to the TR measure index. However, Walczuch et al (2004) state that TR only relates to a mental state and not to the actual skill or competence of using a certain technology. Therefore, our analysis of that our studied IROs are on the lower scale of TR does not indicate that they are incapable of using social media for IR successfully. It indicates that there are no current tendencies of that they will be quick to adopt this technology in the IR context and that there, in turn, are no tendencies of first mover advantage as Suarez and Lanzolla (2005:122) and Sandberg (2001) describe it. In line with the discussion above, for companies in Sweden we find that TR is an inhibiting factor in using social media for IR.

5.1.2 RESOURCES

Madhava Krishna and Hexmoor (2005) state that allocating resources is about prioritising between company divisions and activities, and King et al (2002) emphasize the importance of educational efforts in order to stay on top as the environment and technology is rapidly changing. All of our responding IROs declare that their departments only have one or a few employees, and some feel that they are less prioritized compared to other business divisions. This lack of resources is likely one explanation of why there, as of today, only are modest investments in social media for IR. Several of the respondents mention the fact that they do not have time to engage in new IR activities, as they are too busy already. SKF's respondent makes this issue very clear when stating:

“The IR department is very busy all the time, why we have to prioritize the time we spend on each activity. If we decide to use Twitter, the time we spend on doing so must be cut from some other activity.”

Through this, it becomes evident that IR departments have little room to elaborate on new technology. Adopting social media for IR naturally calls for learning of how to use it properly. However, if there neither is education, human capital or time, it seems quite likely not to happen.

Despite this, there are some IROs that express a belief in that social media could increase the efficiency of their communication and an interest in learning more, which indicates that they at least are heading to a more open state of mind. According to Jiping (2009) there are two ways of learning, by own experience and by others. Our research show that, in the IR context, the latter of the two seem to be the way that IROs, in future terms, might learn about how social media could be successfully implemented and used in their own organization. Through observing others, Swedish companies can recognize the benefits of using this technology in their communication as well as understand how to most effectively do so without violating the law. As stated by Mateas (2008) and King et al (2002), the use of external consultants could facilitate the adoption of new technology for IR.

The fact is that business conditions are continuously and rapidly changing, and along with that, so are the conditions for IR. Heracleous (2003) addresses the importance of staying in line with the market development and the environment, in order to survive. Hence, it becomes clear that not all organizational actions and activities are completely optional, but rather just crucial to stay competitive and attractive as an object of investments. The overall lack of knowledge of, as well as the lack of resources for, IR communication developments indicates that the companies in this study, considering the hype of social media in the business context, soon may be distancing themselves from their environment. According to Heracleous (2003), this creates a risk of strategic drift. In such a scenario, getting back on track, to match the market and the environment again, major efforts would have to be made, making it difficult to survive the competition as other companies might be much further ahead. Therefore, it is obviously much better to closely and carefully follow developments and trends occurring around the company, revise strategies and continuously adapt. It has become very clear that resources are a strongly inhibiting factor among Swedish companies when it comes to the debate of adopting social media for IR or not.

5.2 ANALYZING THE EXTERNAL FACTORS

The external aspects of TAM are factors that influence the internal, and above analyzed, aspects of perceive usefulness and ease of use. As seen in our revised version of the model, the external factors that most likely will affect an implementation decision of social media for IR are legal aspects, perceived demand and competitors.

5.2.1 COMPETITORS

Kotler et al (2008) state that all listed companies are competing for the financial stakeholders' attention as well as the investors' money, why they all should be considered competitors, regardless of which industry they are in. Hence, all the case companies will be referred to as such in this part of the analysis. Heracleous (2003) further points to the importance of companies, who want to gain future market shares, to think in new ways in order to stay competitive. King et al (2002) emphasize the understanding of competitors and the way that they are doing business, and Heracleous (2003) state that being bold in adaptation becomes a necessity in order to gain advantages on the market. In our research it was evident that not all companies put much effort into understanding competitors and the market as they were yet unaware of the fact that social media is even being used in an IR context at all. Others had little idea of how such technology could be applied in Sweden, also indicating a lack of engagement in this issue. Accordingly, such inactive approach could lead to decreased competitiveness regarding the investors' attention.

We also understood that, among several of the companies studied, there is a tendency of that processes are much more influenced by what other actors on the market do than by own initiatives, which indicates that they are clear followers, and in turn missing out on advantages that could be gained from taking the lead, which Heracleous (2003) discusses. The statement of Securitas' IRO illustrates this standpoint:

"We would use it if it becomes a hygiene factor, something that everyone uses...If it becomes a self-evident tool for listed companies, then I would also use it. I will not act as a pioneer, but rather as a follower. If many start to use it, we can identify an added value, and if it is appreciated by the analysts and investors, then we will consider using it."

Considering technology trends, it is discussed by King et al (2002) and Bierly and Hamalainen (1995) that competitors' use of a certain technology is one determinant factor that affects decisions to implement the same technology in another company. This is an aspect that became very clear during the interviews as the issue was brought up by some companies and as they all wanted to see examples of other stock listed companies that engage in this matter successfully before they would consider it for their own business. For instance, when NCC's respondent states:

"I want to wait and see how NCC in general, as well as other companies' IR departments, chose to use it. I have no ambition to be the first who uses it."

Hence, we find it obvious that a change of the current situation on the Swedish market is not bound to happen until best practice examples abroad come forward to let others learn from them.

Benchmarking is one, by Szwejczewski (2009) and Stork (1997), mentioned theory through which companies can learn from one another, through looking upon others' strategies and evaluating benefits in certain processes. Our research shows a certain doubt towards the use of social media for IR as several of the respondents express that they do not know if this communication technology is here to stay or not. However, amongst our respondents, we also find an awareness of that external conditions are changing and that new ways of communication will arise in the future. This further reveals an interest in studying best practice examples of using social media for IR. It indicates a curiosity of understanding and learning of how other companies handle certain issues in order to improve. The statement by the IRO at TeliaSonera further explains this interest very clearly:

"It is important to look at how other companies use social media for IR. What are the advantages? What are the disadvantages? What resources does it require and how is the legislation aspect handled? It is an act of balance... We are very interested in shortly scanning other companies to see how they work, in order for us to make a decision of adopting or not. We want to base this decision on facts, not a gut feeling."

Through this it seems as though many of the case companies are familiar with the thought of studying other companies that use social media for IR successfully, which in turn could lead to a benchmarking process. As Szwejczewski (2009) states that such a process does not have to be complex, but actually quite basic, we find a greater chance of such initiatives in the future, considering the lack of resources in IR departments discussed earlier in the analysis.

It is obvious that Swedish companies in general are clear followers in adopting new technologies for IR communication and that they will act first when they see others do it. Accordingly, we believe that in case one or few companies in Sweden were to start using social media for IR, it would break ground for others to do the same, and in turn we believe a distinct external demand from the financial market most likely would arise. Thereby, we identify competitors of being a driving factor that influences Swedish companies in deciding on adopting of social media for IR.

5.2.2 DEMAND

According to Gruning and Hunt (1984) companies endeavour to understand how stakeholders want to have their financial information delivered. It is natural for companies to want to be good at what they do and therefore they always strive to be better at satisfying their stakeholders. In line with this, our research points to that the studied companies find the financial market demand of certain ways of communication is a major factor that affects them in deciding on communication processes. Still, our understanding from the research is that few of the respondents had sensed a demand of social media for IR, although at the same time, none of them have investigated the issue explicitly, indicating little actual knowledge of it. Furthermore, the impression gained from our research is that most of the studied companies prefer traditional ways of IR communication. This is clearly shown in the way that Securitas' respondent explains the communication processes:

“ I rather email them if it is something I want them to know and if they have questions they can call me...I prefer the personal communication, it is called Investor Relations for a reason.”

There seems to be a lack of technological understanding and a fear of breaking old habits. Seemingly, this is something that could conflict with the fact that many stakeholders, according to Guimard (2008), require easy access to financial information online. Furthermore, the statement above indicates that the studied companies also believe that the financial market appreciates the way that IR communication is handled today. The importance of the personal relationship is repeatedly emphasized during the interviews, and NCC's IRO makes this clear when stating:

“We have not seen a demand (of social media) from our target audience...they prefer talking on the phone and it is their number one communication channel.”

Also the statement of NCC's respondent proves this standpoint:

“We use a lot of personal meetings to be able read body language and get a feeling about the person who is in charge of the company. You can’t replace that!”

Often, our empirics indicate that the comprehension of using of social media for IR is that it cannot replace other forms of communication. However, such replacement is never mentioned on our part, why we find it important to emphasize the fact that social media preferably is a complement, not a substitute.

When it comes to the use of a new technology, Chien-Hsin (2007) and Lam et al (2008) describe that the demand from stakeholders is somewhat dependent on their level of TR and that such should be mapped out prior to using new technology. Our research shows that some of the responding IROs thought that social media is more penetrated among the younger generation and that their target audience, based on the assumption that they do not feel comfortable using such technology, might be reluctant to use social media for IR. For instance, this argument is seen as SKF’s respondent declares:

“I find it hard to believe that the people we target with our financial communication are present on Facebook and Twitter... The ones that are present there, does probably not belong to our target group. Those who are our owners are maybe not the first to use Twitter, instead they claim information straight from us.”

We assume that the use of social media for IR is a high-risk internet-activity, due to it being a new technology, which reliability is not yet proven. Then, Lam et al (2008) state that it is important to acknowledge the varying levels of TR among financial stakeholders, hence, something that Swedish companies should focus more attention towards. In doing so, they could better determine in what ways they best were to engage in social media for IR. For instance, decisions on what form of social media to use and what specific features to be applied would become more evident; it makes little sense to use advanced forms of social media in case consumers, for which the social media is aimed, have low TR and vice versa. Aligned with the argument of Lam et al (2008), we find that for stakeholder groups of low TR it becomes important for companies to make the use of social media more attractive when, or if, implementing it.

In general, from our interviews we find that some respondents are thought to be demanding more and new ways of communication, whereas others are not. In general, financial analysts are thought

to prefer the person-to-person contact as they want specific information and as they are keen on getting hold of information that seems more exclusive. Journalists and investors, for instance, might though have a greater interest in new, effective and modern communication channels. However, some respondents point to the fact that it cannot be assumed that more transparent two-way communication is a good thing for all investors. For instance, this is seen in the statement of NCC's IRO:

"Analysts are not very open with their thoughts and value assessments. They would like to keep their analysis to themselves and to their customers."

Looking at the discussion of Lam et al (2008), early adopters of a technology are likely to become opinion leaders, hence influence their surroundings and create an external demand. Therefore, it is important to direct the company's social media activities towards those that are identified as interested in such communication, since they are likely to further influence their peers. Adopters of social media would likely appreciate an additional channel as well as the possibility to interact with the sender of financial information online. The same goes for the fact that conversations taking place online are saved on the platform and available for a bigger audience, saving time for every party involved.

Considering TR theory, it is understood that the level is not homogenous, but differ among people and groups. Linton (2004) states that supply of certain technology can both exceed and constrain demand at the same time. Through this we find that, in case Swedish companies were to adopt the use of social media for IR, the supply of that communication technology would likely exceed the total demand due to the comprehension that a large share of the consumers are thought to have low TR. However, some respondents discuss other consumers of financial information, namely younger people who are interested in investing and who are expected to be more TR than current main stakeholders. This group is likely to be supply constrained, especially since the use of social media for IR is such a novel phenomenon for Swedish companies, why it can be assumed that initiatives to engage in such activities, at least initially, will not be in any advanced form. Naturally, avoiding this dilemma seems almost impossible, why there does not appear to be any solution. However, it might be an aspect to at least consider when engaging in new technology.

As discussed in the beginning of this section, the demand from the stakeholders is a major factor when implementing new ways of communication. The impression from our research is that, in general, Swedish companies rather wait for a growing demand of social media for IR among the

financial stakeholders, than to create a demand for it. Naturally, all the ways through which a company acts impact the image that audiences have of the company. Hence, even though there might not be any explicit demand or other driving factors that push Swedish companies to use social media for IR, we find that it could be a way for them to position themselves as modern, which we assume most of them are striving to be.

It seems clear that Swedish companies likely would implement social media for IR if they experienced an explicit demand from stakeholders. Accordingly, and aligned with the discussion above, we find the demand factor to be driving in Swedish companies' decision to use social media.

4.2.3 LEGAL ASPECTS

According to Healy and Palepu (2001) corporate disclosure is essential for a functional and efficient financial market, and such is regulated by national legislation. Further, Gruning and Hunt (1984) emphasize that the law can be both obliging and limiting communication activities of IR, why such have to be regarded in different terms compared to other communication that a company engages in. The majority of respondents argued that since IR department's main task, to make all stock price effecting information available for all stakeholders simultaneously, is a legislated mission, there is a worry in using social media for IR. The statement of SKF's respondent emphasizes this standpoint:

"(Using social media for IR) is in conflict with the aim of informing all at once and making the information accessible to all simultaneously... We are not allowed to release information if we do not provide it to everybody at the same time."

Also Securitas' respondent makes this issue very clear:

"Adopting new technologies for communication of sensitive information could be devastating."

Hence, we find it obvious that the legal aspect is something that restricts many Swedish companies in their communication routines. From our research we sense a fear of changing what seem to be functional operations with the risk of accidentally breaking the law. Further, some of the interviewed IROs have heard of cases abroad where engagement in social media for IR resulted in unintentional violations of the law. This, we believe, builds on to the already existing fear, actually proving that the IROs' worries concerning the law are not made up, but reality.

Gruning and Hunt (1984) argue that, compared to regular public relations, for IR, there are less options of communication, which obviously is due to legislation. However, some respondents in our research seem to have found openings in using social media for IR. They argue that in case the channel is used for additional information, the law regarding timeliness of information could not be violated. If a conversation takes place in a social media forum, the information is available for more financial stakeholders. Hence, it is argued that social media may in fact be highly appropriate communication channel for complementary information. Such reasoning indicates that, Swedish companies might be starting to see how they could benefit from this communication technology without having the constant worry of stepping outside the law.

Furthermore, apart from the Swedish legislation, also company policies have to be considered in releasing financial information and many respondents discuss the matter of transparency. They argue that the financial stakeholders always want more information. TelilaSonera's respondent argues:

"It is always an act of balance. The analysts wants as much information as possible to be able to conduct a better analysis...The problem with IR is that if you open up a case (sharing information on social media) you can't turn back. It is very important that you know that what is being opened is sustainable."

Accordingly, our comprehension is that once stakeholders are given more data it becomes difficult to remove that information at a later time; total data then seem to decrease, even if that amount was normal before. Hence, engaging in social media will likely have to be legally safe before Swedish companies dare to use it for IR.

However, considering the fact that Finansinspektionen (2010) declare that violation of the IR laws results in penalty and damages the brand, we find it understandable that Swedish companies are anxious and hence act carefully. Repairing a harmed brand, regaining credibility among stakeholders, demands a great deal of effort and is never sure to succeed.

To summarize, since the majority of the respondents are considering social media for new information, and since there is a clearly expressed worry of violating the law when using unfamiliar technology for IR communication, the legal aspect is currently an inhibiting factor. However, we have

to bear in mind that the present scenario could change in case legislation sets of how social media is to be used in an IR context. Then the legal aspect could potentially become a driving factor.

6 THE ATTITUDE TOWARDS USING SOCIAL MEDIA FOR IR

This ending chapter consists of three parts. Firstly, we conclude our research and answer our research questions, based on the analysis. We then reflect upon the conclusion, as well as discuss the impact of the thesis, both from an academic and managerial point of view. Then guidelines for future research are presented.

6.1 CONCLUSION

We began this thesis with a broad approach where we considered the diffusion of the Internet in a business society and the increasing significance of companies communicating effectively and acting from a relationship perspective. This initial discussion led us to the topic of this thesis, which addresses the usage of social media for IR. More explicitly, we aimed to investigate why Swedish companies currently are not using this new communication technology for IR purposes. Our area of interest been studied from a factor point of view, in which we have used a, by us, revised TAM, both as the foundation of our empirical production and as our main tool of analysis. Following the analysis, in this part we present a conclusion of which factors that are driving, respectively inhibiting, Swedish companies to use social media for IR, as well as the overall attitude towards the usage of this communication technology.

According to our theoretical framework, the external factors of competitors, demand and legal aspects influence the internal factors of TR and resources, which together form the attitude of using social media for IR. Considering the internal factors, the level of TR among our case companies in general seems to vary. However, we see a tendency of that, regardless of the company's TR in general, this readiness has not yet spread to the IR departments. Our respondents' answers indicate a lack of both knowledge and interest in social media, and in accordance with the analysis, we conclude the factor of TR to be inhibiting the use of social media for IR. Furthermore, all respondents declare to significantly suffer of scarce resources in their IR departments, which make the resource factor a strong inhibitor in the adoption process. Consequently, the two internal factors that have been studied in this research are found to be inhibiting Swedish companies in adopting social media for IR.

Regarding the external factors of the theoretical framework, we have come to the conclusion that competitors and the demand from financial stakeholders are driving factors, whereas the legal aspect could be regarded as both a driving and an inhibiting factor. Currently, we find the legal aspect to be an inhibiting factor due to the fact that our empirics point towards a fear of violating the regulations concerning IR communications. Furthermore, the two driving external factors are currently too weak to overpower the legal aspect. Our case companies perceive that their competitors, referring to those that are competing for the same investors' money, are not adopting social media for IR, which leaves the case companies with no incentives to do so either. In addition, the empirics show that the respondents have not yet experienced a demand from their financial stakeholders, which further strengthens the companies' beliefs that social media for IR might not be beneficial. All of our respondents find it difficult to engage in social media for IR and at the same time comply with the regulations. Hence, even though demand and competitors are found to be driving factors in this issue, the external factors in total are currently not driving the adoption process of implementing social media for IR among Swedish companies.

FIGURE 7. Table of factors influencing the adoption of social media for IR

FACTORS	INTERNAL	EXTERNAL	DRIVING	INHIBITING
Technology readiness	X			X
Resources	X			X
Competitors		X	X	
Demand		X	X	
Legal aspect		X		X

However, there is a hypothetical situation that we would like to address in this thesis. It is concluded above that the two driving external factors of demand and competitors that, according to the theory of TAM, influence the internal factors, in the current situation are weak. Accordingly, there is no external pressure, making it seemingly irrelevant, in the context of social media use for IR, whether or not the internal factors are driving or inhibiting the adoption process. On the other hand, this thesis points to the fact that conditions are rapidly changing and, in order to stay competitive, it is essential for companies to be adaptable in a timely manner. The hypothetical situation refers to a potential future situation where an explicit demand of social media for IR suddenly arises and quickly grows, and where competitors of IR communication suddenly are represented on such platforms. In such a scenario, there is obviously a way to handle Swedish IR regulations in communicating via

social media, and the external factors become strong drivers, in turn making the internal factors utmost relevant. Since our research points to these currently being weak among Swedish companies, we believe that we have discovered a potential future dilemma that, if not considered, could lead to negative consequences. In case the hypothetical situation described suddenly was to become reality, Swedish companies would likely be unprepared and thereby slow in handling the situation. Looking upon foreign examples and regarding the speed of implementing new technologies of today, this is a scenario likely to happen. However, out of the two categories of factors, external and internal, the latter one is the more controllable from a company perspective; companies must be held responsible for their own internal processes. Therefore we find great significance for Swedish companies to immediately start acting proactive in this issue, working on improving the internal factors through, for instance, allocating more resources for IR activities and, in case TR is perceived low, hire external expertise, all in order to prepare for an external pressure within short.

To summarize, the discussion above implies that Swedish companies are not yet pressured by the driving external factors of demand and competitors to use social media for IR, while the legal aspects is inhibiting them. This lack of external pressure might in turn explain their little efforts towards improving the internal, and currently inhibiting, factors of TR and resources, which indicates that they still have a long way to go. In conclusion, we find that Swedish companies currently have a reluctant attitude towards adopting social media within the field of IR.

6.2 REFLECTIONS AND CONTRIBUTIONS

We have now outlined the driving and inhibiting factors, as well as summarized the overall attitude among Swedish companies towards using social media for IR. This part includes our reflections on our conclusion, as well as the conclusion's managerial and academic impact.

First of all, both our respondents and the authors of this thesis consider the studied companies to be in the early state of the social media considerations for IR. Hence, several of the questions in the interview guide, regarding the internal factors, required a hypothetical answer from our respondents. One must bear in mind that these kinds of questions are difficult to address. The same goes for questions about the perceived demand and their competitors' activities. Since none of the respondents have explicitly investigated the two factors, their answers are based on impressions. Furthermore, the approach of the topic is based on managerial decisions and current activities.

However, it is equally important to investigate so called none-decisions. A non-decision is, for instance, when a company decides not to investigate the potential of social media.

In our area of interest, it is not rare that the phenomenon of technology bias occurs. This means that the researchers assume that new technology always is better and brings benefits to the user. If the consumers of this thesis experience such a bias, it can be due to the fact that, in the introduction chapter, cases of large international companies that have started to adopt social media for IR are presented. However, one must take into consideration that the cases abroad may not have been driven by external factors, but rather by the companies' will of attempting to present themselves as innovative. This would imply that they are not using it to, for instance, meet a demand or gain communication efficiency, but to build a certain image of the company. Hence, the initiative to use social media for IR might have been an incentive of brand management. As the image of a company comes from an overall impression, where all actions and activities count, even IR communication becomes an effective tool in such formation. With this in mind, we have always had the ambition to keep an objective perspective throughout our research.

By addressing the adoption process of new technologies in the business field of IR, our thesis expands the academic area. Previous research has addressed adoption processes in general, outlined how social media may be used in support of, for instance, marketing purposes, and investigated how the Internet can be implemented for IR. This thesis contributes by both mapping out how social media is and can be used for IR, as well as addressing the adoption process within IR. Furthermore, the main theoretical contribution of this study is the revised TAM, specifically formulated to suit an IR context. We have presented a new theoretical framework that may be applied in similar research, and inspire future research to further investigate our area of interest. The internal and external factors, which are inspired by previous research and confirmed by our empirics, may be used as guiding principles in such future research. However, there is also another aspect of the contribution to theory. The aim of this thesis was to study attitudes towards adoption of social media for IR, where the presented framework shows factors that affect such. However, the results show that, in a general perspective, what we have studied is really non-adoption, as oppose to the commonly referred area of positive adoption literature. In that sense, our results provide theory insights of the fact that there might be other factors than those presented here that influence non-adoption.

From a managerial point of view, the ambition of this thesis has been to provide relevant insights to consider when adopting new communication technologies in general, and social media in particular, for IR. With the results of this thesis, companies can gain a better understanding of the phenomena

of using social media for IR. Looking at our reflections of the current position towards using such communication technology in Sweden and through the factors that have been mapped out to be driving respectively inhibiting in that process, managers can evaluate their own company and business processes. In case managers are interested in adopting social media for IR, they can, based on the factors, gain a better understanding of the area and facilitate an implementation. The thesis contributes by both mapping out how social media is and can be used for IR, as well as addressing the adoption process within IR. Since we have proposed a categorization of driving and inhibiting factors, these may be used as initial guidelines if the debate of the topic gains ground in the Swedish business society. However, in such a scenario, it is important that the companies bear in mind that the factors in this thesis might not cover all issues in adopting social media for IR, why the results should not be studied in blindness of other factors.

Our last reflection concerns an issue that we have discovered during our research process, which we refer to as the IR paradox. The IR paradox refers to the purpose of IR itself and companies' relationships with analysts. Analysts are said to be one of the most important financial stakeholders, acting as an intermediary between the company and its investors. Many respondents express an unwillingness to use social media due to the fact that analysts do not want to share information to other stakeholders, why they are expected not to appreciate such communication technology. If IR departments were to use, for instance, social media forums as a channel for complementary information, more information would be available for more stakeholders, which is aligned with the fundamental purpose of IR. However, this could hypothetically, aligned with the argument above, weaken the relationships with analysts. Consequently, the paradox consists of a balance between the purpose of IR and maintaining a healthy relationship with financial analysts.

6.3 FUTURE RESEARCH

From conducting this study we have learned that, as of today, academic research within the field of social media and IR is very scarce. The potential of future research on this topic is therefore quite unlimited, and there are numerous ways through which the phenomenon can be approached. However, building on this study, there are a couple of ideas for future research that we find especially interesting and which we would like to bring forward in this thesis.

First of all, studying the use of social media within an IR context can be conducted from several different perspectives. This thesis runs from a company perspective – the senders of financial information - showing their standpoint and perception of stakeholders’ values in introducing social media for IR. However, perceptions are not based on actual facts. Therefore, to take the perspective of stakeholders – the receivers of financial information – a study of their actual standpoint is of great relevance. The suggestion for future research is then to investigate the demand and perceived usefulness of social media for IR among the financial stakeholders, such as private and institutional investors, journalists and analysts.

Secondly, it is still not confirmed what benefits companies that currently are using social media for IR actually gain from doing so. Even though there are, as we presented, examples of companies that engage in this matter with success, there is no implication of that it has led to additional benefits. According to this thesis, using social media for IR could hypothetically be based on managerial intentions of creating a perception of that the company is innovative and a front-runner in general. Therefore, for future research it is interesting to study if there are any explicit benefits in using social media for IR, or if it is just a brand related act.

Furthermore, in case the use of social media for IR penetrates the Swedish market, an interesting topic for future research is to investigate what factors that influenced the implementation decision regarding new technology in IR communication, and to map out if these factors are internal or external. For instance, was it an increasing demand from the financial market that drove Swedish companies to adapt to their needs, or was it a managerial decision to allocate more resources for IR activities in order to be in line with current communication trends? For such a research, our revised version of TAM could be used once again.

As discussed above, the list of implications for future research is never ending in this matter. We look forward to follow the progression of Swedish companies’ use of social media for IR in the future, and are eager to learn more about the phenomena through future research.

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APPENDIX 1. INTERVIEW GUIDE

1. Describe your current IR communication.
 - a. What is the objective?
 - b. Who is handling the communication?
 - c. Which channels are being used?
 - d. How often do you communicate?
 - e. What are the current weaknesses?
2. Currently, is the company in general using social media to interact with stakeholders?
3. To what degree is social media currently being used for IR within the organization?
 - a. Which channels are being used?
4. What drives the organization / could be the driving factor for using social media for IR?
5. What are the perceived inhibiting factors of using social media for IR?
6. What are the primary risks of using social media for IR?
7. How could you use social media for IR today?
 - a. What are the expected benefits?
8. Which are your primary target groups for the IR communication?
 - a. Have you experienced a demand to use social media for IR among your target groups?
9. Historically, how have you adopted new communication methods within IR, in relation to similar companies?
10. Describe your current relation to your consumers of the IR communication?
 - a. Would the relationship change if the organization would use social media for IR to a greater extent?
 - b. How would it change?
11. Please summarize the main factors that are hindering the organization to use social media for IR today?