

THE APPLICATION OF PR COMMUNICATION MODEL IN INVESTOR RELATIONS THROUGH WEB 2.0

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Abstrak

Tulisan ini bertujuan untuk menganalisa sejauh mana *investor relations* bank sebagai bagian dari perusahaan keuangan di Indonesia menggunakan teknologi Web 2.0 untuk menjangkau para pemangku kepentingannya melalui internet, sejauh mana model komunikasi *public relations* diterapkan untuk berkomunikasi dengan para pemangku kepentingan melalui internet, dan sejauh mana komunikasi melalui *website* akan mempengaruhi pemangku kepentingan dalam pengambilan keputusan investasi. Objek dalam penelitian ini adalah tiga institusi keuangan – bank yang terdaftar di Bursa Efek Indonesia. Metode penelitian adalah kualitatif dan klasifikasi penelitian berdasarkan tujuannya adalah penelitian deskriptif. Wawancara mendalam terhadap tiga Investor Relations Head dari bank pemerintah dilakukan. Hasil penelitian menunjukkan bahwa model komunikasi yang dilakukan oleh institusi keuangan terhadap para pemangku kepentingan melalui *website investor relations* adalah satu arah dan penggunaan teknologi Web 2.0 belumlah optimal. Namun, pada dasarnya komunikasi dua arah sudah dilaksanakan oleh staff *investor relations* melalui komunikasi yang lebih personal melalui telepon/*conference call*, surat elektronik, dan pertemuan tatap muka. Simpulannya, penerapan model komunikasi *public relations* dalam aktivitas *investor relations* melalui teknologi Web 2.0 hanya sekedar untuk penyebaran informasi saja belum sampai tahap memengaruhi pemangku kepentingan dalam pengambilan keputusan investasi.

Kata kunci: internet, *website*, teknologi Web 2.0, *investor relations*, institusi finansial.

Abstract

This paper aims to analyze the extent to which investor relations of financial institutions in Indonesia are using Web 2.0 technologies in order to reach their stakeholders through internet, the extent to which public relations communication model applied in communicating with stakeholders through internet, and the extent to which the communication via website will influence stakeholders to have the investing decision. The objects of this research are three banks as financial institutions listed on Indonesia Stock Exchange. The method is a qualitative research and the nature of this research is descriptive. Depth-interview was held by interviewing three Investor Relations Heads of state banks. The result of this research shows that the communication model applied from financial institution to its stakeholders on investor relations Website is one-way and the use of Web 2.0 technologies in banks has not been maximum. Moreover, the information on the website does not influence the stakeholders in making investment decision. However, two-way communication is managed personally, through phone/*conference call*, email, and one-on-one meeting. In conclusion, the application of public relations communication model for the investor relations activities in Indonesia through the usage of Web 2.0 technologies is only to disseminate information, not to persuade stakeholders in making investment decision. Keywords: internet, website, Web 2.0 technologies, investor relations, financial institution.

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Introduction

Media to inform the corporate reporting and investor relations activities is developed as the result of the technology enhancement. In past, a company used mass communication media such as newspapers and magazines to disseminate material information to its stakeholders. However, now the internet is as one of the fastest developing communication tools (Spaul, 1997: 4). In addition, we have entered the world of search engine and the writable web (Phillips and Young, 2011: 6).

Referring to study conducted in 1999 regarding the use of the internet for investor relations in the USA, the UK and Germany, it revealed that internet is increasingly considered as a comprehensive instrument for investor relations activities (Deller, Stubenrath, Weber, 1999). Corporation used their World Wide Web homepage such as website as a media to present financial data, particularly annual reports, databases on press releases and other company-specific information (Deller, Stubenrath, Weber, 1999). The result showed that more USA companies used the internet for investor relations activities than UK and German companies.

Moreover, the web technology has developed which is known as Web 2.0. Web 2.0 has recently emerged as a second generation of web-based technologies for communication (Linh, 2008). According to Bonson and Flores (2011) Web 2.0 is consisted of three instruments, which are content syndication (webcasting-podcasting, RSS, ATOM and widgets), social network (social networking sites, twitter, and photo/video sharing). In 2009, Q4 Web Systems - a leading provider of online investor relations solutions – identified that from 80 USA public companies that used Twitter account, a 55% of them were using Twitter for investor relations purposes such as

earning release, conference call notification, and quarterly investor webcast (Hogan, 2009). The survey showed that the usage of Web 2.0 has increasingly developed in US for investor relations activities to reach shareholders via online. However, this survey does not mention the industries surveyed. Another evidence shows Web 2.0 was increasingly used in global companies is research by Bonson and Flores (2011) about social media and corporate dialogue. The study surveyed 132 main global financial companies in the banking and investment industry in Europe, Asia-Pacific region, and Americas. However the result revealed that Web 2.0 technologies and social media are not fully available in the corporate reporting arena.

In Indonesia, to comply with Badan Pengawas Pasar Modal (Bapepam) and Indonesia Stock Exchange (IDX) regulation, a public company must disclose material information to public. Website is one of the channels that used to disseminate the information. In general, the information regarding financial information as material is allocated on the particular site, investor relations. In the competitive and global environment, investor relations practitioners should consider that the enhancement of technology may influence the communication channel between company and its public. When in global countries, companies have use Web 2.0 as their communication tool, hence do Indonesian companies has use Web 2.0 or social media or still remain in the web 1.0 arena? However, it is hardly find the survey regarding internet or social media in the correlation with investor relations activities in terms of communication relationship in Indonesia. In 2008, Almilia and Budisusetyo researched the corporate internet reporting. The research focused on the quality of data and it was not assessed the communication style appealed between companies and

publics. The survey did not mention whether the technology used on the website of companies surveyed was Web 2.0 or not.

Public relations examine four model of communication that is developed by James E. Grunig and Todd Hunt which are consisted of press agency/publicity, public information, two-way asymmetric and two-way symmetric (Grunig & Hunt, 1984). As part of public relations function, investor relations should also apply four model of public relations communication that includes investor relations' communication through website. Moreover, Bollen, Hassink, and Buijl (2008) said that financial information on the website can make capital allocation decisions. However, in terms of Indonesian investor relations environment, that situation will be different.

this descriptive study is to scrutinize three things. Firstly, do the financial institutions in Indonesia use Web 2.0 technologies in order to reach their stakeholders? Secondly, what model of Public relations communication is applied in the usage of internet by companies to reach investor relations' publics? Thirdly, does investor relations website influence the capital allocation decision for investor as the result of the communication applied?

Literature Review

Investor Relations

The activities of investor relations are related to the combination of two disciplines of finance and communication. Brown (1994) suggested that those disciplines play vital role to run a strategic corporate marketing activity. An investor relations officer must have capability to analyze corporate finance and to disseminate material information and performance of the corporate to publics and contrary, investor relations officer must inform the corporate management about investing regulation and issue. Investor relations professionals also need strong

communication skills, in addition to a solid understanding of finance (Argenti, 2009: 203). Many references suggest that investor relations are a sub function of corporate communications. In 2001, Marston and Straker determined that the stress of investor relations activities is on communication as they suggest that investor relations is the communication of information relating to a company to the financial community, analysts, investors and potential investors. This statement concludes that without an appropriate communication, an investor relations activity could be misinterpreted and as the consequences it would impact to corporate shares fluctuation. Appropriate communication can be associated with the chosen the right message and spoke-person, communication tools, channels/media used, and time.

The primary objective of investor relations activities is to maximize a company's market valuation (Bragg, 2010). The tools are available to reach the objective, which the most common are the annual report, the annual meeting, the corporate report, the interim report, the annual general meeting, press and financial analyst conferences, one-on-one meeting as well as road show and conference call (Bragg, 2010; Gunther and Otterbein, 1996: 404-10; Durr, 1995: 50-110). These tools are classified as the traditional instruments (Deller, Stubenrath, Weber, 1999). In addition these traditional instrument, companies also use internet as a medium for investor relations activities (Waroff, 1995; Mahoeny & Wessendorf, 1996; Elgin, 1996; Deller et al., 1997).

In USA, an investor relation has been recognized firstly as a management specialism (Marston, 1996). An investor relation has significantly grown in recent years (Farragher, Kleinman, & Bazaz, 1994) and it is one of the fastest growing areas of

corporate communication (Regester, 1990). The function of investor relations appears as a response to the increasing the world's capital markets (Marston, 1996). Every company that has been listed in capital market must have investor relations function. Investor relations acts as a company contact of source of information for shareholders, analyst, and finance journalists (as primary publics of investor relations) and other related publics (particularly publics on financial communities, such as broker, rating agencies, and so on).

In Indonesia, investor relations function on the publicly companies is regulated in Bapepam regulation (Kretarto, 2001: 109). Therefore the existence of this function is obligatory and to support information disclosure principle.

Four Model of Public Relations Communication

Public relations recognizes model of public relations to manage communication, conduct research, and understand social science behind communications. Public relations models are often considered the most dominant theoretical perspective in public relations (Laskin, 2009), however the models that introduced by Grunig and Hunt – known as four models – are still accurate and useful tool to describe public relations practice and worldview (Grunig, Grunig, & Dozier, 2002: 377). The four models are press agency/publicity, public information, two-way asymmetric and two-way symmetric (Seitel, 2011). Below are Grunig's models of public relations on the Laskin overview. Press agency is the first model released that is one-way communication that is delivered from source to receiver with the intention is to win favorable media attention.

Table 1. Models of Public Relations

Characteristic	Press Agency/Publicity	Public Information	Two-way Asymmetric	Two-way Symmetric
Purpose	Propaganda	Dissemination of information	Scientific persuasion	Mutual understanding
Nature of communication	One-way; complete truth not essential	One-way; truth important	Two-way; imbalanced effects	Two-way; balanced effects
Where practiced today	Sports; theater, product promotion	Government, nonprofit association, business	Competitive business; agencies	Regulated business; agencies

(Adopted from Grunig and Hunt, 1984 p. 22 in Laskin, 2009 and data has been respectively modified by the writer).

According to the Table 1, in order to meet with the purpose of the study to determine the model of public relations model applied for investor relations activities in Indonesia through the usage of Web 2.0, this research will examine the characteristic of the model on three characteristic items, which are purpose, nature of communication, and the place of the model is being practiced today.

Bonson and Flores (2010) stated that dynamism, interaction, collaboration, participation and trust are essential concepts in Web 2.0 technology. According to them, to analyze to what extent public relations communication model applied by investor relations via Internet in publicly financial institutions listed on Indonesia Stock Exchange, it only examines dynamism and interaction.

However, to cover the measurement of persuasion as one of the purpose of the two-way asymmetric model, the persuasion dimension will be also examined. These three dimensions are considered to measure model of public relations.

Internet and Web 2.0

Since internet has been used in industry, the Internet can be qualified as a medium for investor relations activities (Waroff, 1995; Mahoeny & Wessendorf, 1996; Elgin, 1996; Deller et al., 1997). The existence of internet has confirmed the prediction of Marshall McLuhan that world would become a “global village”. People everywhere with internet access to computer can gather information and witness events in the real time. Corporations are also no longer can hide from public. Because of its open nature, it is now much easier for stakeholders to find information about a company in internet. Publics can also contact

investor relations officer to get information by email. Stakeholders are more accessible and visible. Now, the world wide web (web), part of the internet to enlarge the internet for multiple uses, has evolved from Web 1.0 to Web 2.0. Web 2.0 is found more dynamist and interactive because Web 2.0 technology creates some applications to make people participate on-line. Solomon and Schrum (2010) summarize the components of Web 2.0 are blog, micro-blog, podcast & vodcast, productivity application, social networking services sites, video-sharing, virtual worlds, and wiki, while Bonson and Flores (2010) summarize Web 2.0 technologies into three paradigms which are content syndication, social network, and mashups. Now, many corporate websites offer social networking services sites to communicate with their publics. In fact, the Web 2.0 technologies and the social media may create corporate dialogue that companies can provide information in more detail and allow internet users to participate (Bonson & Flores, 2010).

Table 2. Web 2.0 Technologies Paradigm

Web 2.0 Technologies Paradigm	Meaning	Example
Content Syndication	<p>A new way broadcasting that is taking place, by means of real-time web video or audio programs, specifically recorded and delivered for a specific purpose and can be can be downloaded after the event, and re-used in different devices such as a cell phone or i-pod, etc.</p> <p>In the RSS term, RSS readers can receive information continually sent by the website that has RSS. The condition is the RSS readers subscribe or have stated that they want to follow new developments from these sites (Phillips and Young, 2011: 22). Automatically the</p>	<p>Webcasting-podcasting RSS ATOM widgets</p>

Web 2.0 Technologies Paradigm	Meaning	Example
Social Network	<p>users receive a notification when the updates are made. The information received only the headings / title and to read full information, reader must go to particular web. Therefore, there is a participation from the reader to actively find full information.</p> <p>By using social network, users are allowed to share and bookmark a piece of web content with their friends</p>	<p>Twitter Facebook Micro-blogging Blog</p>
Mashups	<p>This platform is consisted of pre-existing web services that allow a certain user within a platform to use another application, in a specific window, without the need to get out of the initial web site</p>	<p>The content of A website in A server can be taken from B website in B server, C website in C server, and any servers. So, users can get information on B and C website in A website.</p>

(Source: Bonson & Fores, 2010).

In Western economics, many listed companies' website are also dedicated to reach investors (Lymer and Debreceeny, 2003 in Bollen, Hassink, and Buijl, 2008). They dedicate one particular menu in their corporate website which mostly known as investor relations website. The purpose of investor relations' website - as well as traditional media - is to provide financial and non-financial information for shareholders as their obligatory role to disclose material information to public. In the global economy and in the

recent crisis, the regulators required online transparency (Bonson, 2007 in Bonson and Flores, 2010). Therefore, the internet technology can facilitate the website to disseminate information on a real-time and accessible to publics. Bragg (2010) classifies the investor relations website into basic, intermediate, and advanced. However, the situation could be slightly different in Indonesia whether the investor relations' website has been used Web 2.0 technology or not to reach the stakeholders.

Table 3. Investor Relations Website Classification

Classification	Content	Remarks
Basic	Stock Prices and Trading volume	It is better to inform the stock prices and trading volume daily. It includes a history of all transactions (stock repurchases, stock splits, and dividend issuances)
	Securities and Exchange Commission (SEC) fillings. SEC is a capital market commission in US.	In Indonesia, the capital market is regulated by Bapepam and Indonesia Stock Exchange / IDX (Bursa Saham Indonesia / BEI)
	Investor relations contact information	Information about IR officer name, phone & fax number, and email address.
	Corporate governance and ethics documents	Documents regarding governance and ethical practices in the company
Intermediate	Frequently Asked Questions (FAQ)	FAQ are often posted during the conference calls, annual meetings, and investor meetings.
	Glossary of terms	To avoid misunderstanding since every industry has their own terms that are sometimes unfamiliar to publics.
	Guide to understanding the financial statements	Individual investors are more needed than institutional.
	Management and board resumes	It shows the credibility of the management and board to lead the company.
	Board member contact information	Information about Board member name, phone & fax number, and email address.
	Event calendar	It consists of upcoming events, date, and locations.
	Annual meeting home page	Provide information regarding the annual meeting on one page to make investors can easily locate the information in order to voting purposes.

Classification	Content	Remarks
	Industry overview	Contents of current industry analysis and growth prospects.
	Industry trade groups	List the names and contact information of industry trade groups where the company is member.
	List of analysts	List of analyst who is cover the company's report.
	List of investors	List of shareholders and their stock ownership
	Photo archive	This is for media purposes since they can download it.
	Press release archives	This is outdated information
	Send a message	Provide e-mail link on the page for users to send e-mail to investor relations officer.
	Site search feature	To assist user to find feature on the site
	Software download links	To assist user to find the link to install software to download material on the page
	Speech and conference call transcripts	Post the speech and conference call transcript on the site
	Split files	To avoid download problem and slower internet connection, split one large report into several ones.
	Site map	This is direction of the site.
Advanced	Alternative language version	Most non-English spoken corporate website have bilingual. One is the native language and the another is English
	Insider stock trades	Contents of trading activity of the company's managers and directors such as dates and share volumes of each transaction

Classification	Content	Remarks
	Interactive tools	To examine the current value of the shareholders' stock
	Issue event reminders	It is a reminder e-mail for upcoming event
	Pop-up surveys	Survey purpose
	Registration option	To encourage visitors/users to have relationship with the Investor Relations officer by registering themselves to receive additional information.
	RSS Feed	Subscription to receive automatic updates notification from a web site.
	Send page link	This is a facility for the users to send the information on Investor Relations web site to other friends
	Short Messaging Service (SMS) stock price updates	Stock prices updates are sent by SMS to users
	Tailored Web pages	This is a registered option. A group of people can be created a customized web site that is consisted of particular information that they want to read.
	Unsubscribe option	When the users/visitors are offered to register/subscribe to some features, so the company has an obligation to allow them to unsubscribe.
	Video feed	Video presentation by management team or Director's speech that are posted on the web site.

(Source: Bragg, 2010)

From the table above, we can say that the advance category provides a Web 2.0 technology. However, there are only RSS feed, video feed, and interactive tools which are considered as Web 2.0 technology that we can see on the advanced content.

Financial Institution

Financial Institution is an institution in financial service that collects funds and invests and other financial services (Iskandar, 2008: 2). Financial institution is also named

intermediation institution that is classified into two groups: Bank and Non-Bank such as pension fund, insurance company, consumer financing institution, etc.

Since the banking industry deals with Basel II, which requires the banking industry to face different types of risk, and increases market discipline and transparency (Bonson, 2007 in Bonson and Flores, 2010), the content of the corporate webpage is now being specifically regulated (Bonson and Flores, 2010). In Indonesia, corporate website can be used as the medium to disseminate information to stakeholders, though there is no obligatory for publicly companies to post the material information on the corporate website, particularly on the Investor Relations site. However, through annual report award (ARA) competition – an annual competition that is held by Indonesian Ministry of Finance, Bapepam, IDX, and Bank Indonesia by examining annual report of the companies – companies that post annual report on the website will be get the score. This assessment shows that the use of website is essential to support information transparency dissemination to stakeholders.

As Bonson and Flores (2010) says, bank is one of the most highly regulated activities that focus on the exchange and sharing of information to create knowledge to stakeholders, as also the main goal of the use of social media and Web 2.0 technologies (Shih, 2010 in Bonson and Flores, 2010). Tadesse (2006) stated that banking systems are less vulnerable to crisis of supported by financial reporting regimes characterized by more comprehensive disclosure, timelier financial reporting, more informative reporting, and more credible financial disclosure. Therefore, information transparency is completely important in banking industry and use of Web 2.0 technologies can support that objective.

Method

The objective of this study is to describe the extent to which investor relations of financial institutions in Indonesia are using Web 2.0

technologies in order to reach their stakeholders through internet, the extent to which public relations communication model applied in communicating with stakeholders through internet, and the extent to which the communication via website will influence stakeholders to have the investing decision. In this research, the object is banks that are listed on Indonesia Stock Exchange (IDX) in LQ45 category. LQ45 is a category of 45 stocks that are most traded in IDX. A list of LQ45 changes every six months. On February – July 2012, there are seven banks listed on LQ45. However, this research only surveys three banks listed on LQ45 since only those are available to be surveyed. Therefore, the sample of this research is three banks listed on LQ45. The name of the Banks are associated as A, B, and C. The approach used in this research is a qualitative in the form of depth-interview, documentary study and investor relations website observation.

The documentary study and investor relations website observation will give the description of the investor relations website background. It will answer whether the Banks use Web 2.0 technology or not. The depth-interviews were conducted to the three investor relations heads from three state banks. It will give the explanation the extent to which public relations communication model applied in the usage of internet and the extent to which the communication through internet will influence the investing decision of stakeholders. Several questions were classified into three dimensions of internet and Web 2.0 such as dynamism, persuasion, and interactivity.

Findings and Discussion

This study reveals that only two Banks provide features or contents of Web 2.0 on investor relations Web Site. In addition, only one Bank provides features of Web 2.0 on its corporate web site. The use of Web 2.0 in the objects' investor relations Website, this study confirms the Bragg's content of investor relations Website categories which are RSS and interactivity tools. Video feed is not available.

Table 4. Investor Relations Website and Corporate Website Background of Objects

Bank's Name	Investor Relations Web Site		Corporate Web Site
	Numbers of Menu	Numbers of Sub Menu	Features of Web 2.0
A	6	25	-
			- Webcast (Interactivity – Bragg's content) - Investment calculator (Interactivity – Bragg's content) - RSS Feeds (RSS – Bragg's content)
B	5	14	-
			- Investment calculator (Interactivity – Bragg's content) - RSS Feeds (RSS – Bragg's content)
C	5	17	-
			- Twitter - Facebook

Interview's results support the observation result. Each question was designed to present the dimension of this study: persuasion, interactivity, and dynamism in determining model applied by the banks in reach their stakeholders regarding using of Web 2.0 technologies.

Dynamism

Today, stakeholders demand fast, transparent, and easy-to-understand information (Allen, 2002). Therefore, as to comply with the disclosure policy, after conducting investor relations activities or releasing financial or non-financial information, investor relations officer must post the information on the website. However, the information should be accurate and correct since investor relations website is used for stakeholders as the source of information. All banks agreed that the information must be posted on the website as soon as possible. In general, banks post new information minimum on quarterly period when they post the quarter financial report.

".....to edit data or post it on the website, it depends on the data available." (IR Bank C)

Respondents also shared their opinions on things that influence the dynamism aspect such as change design. It is revealed that change design is not changed frequently. Investor relations Bank C said that the last time the Bank change the design was in 2004.

Persuasion

Deller, Stubenrath, and Weber (1999) said that the primary objective of investor relations activities is to provide information needed by investors in order to make capital allocation decision. Referring to this statement, posting information on the IR website is one of investor relations activity. However, this statement is contradictive with the results of the interview. All Banks agreed that information on website does not influence the investing decision of the investors.

"It is public information only. There is no further research whether B IR Website is used to influence the investing decision. IR Website is only used for disseminate/publish material information only. The website is provided to download information only not to interactivity." (IR Bank B)

"....analyst information (made by security houses) can help them (to have investing decision).....but we want provide information and make sure every investors get information they need correctly and

accurately and make them have their own decision.....” (IR Bank A)

Interactivity

According to interactivity aspect of the IR web site in relations to the use of Web 2.0 technologies, all Banks only have very small numbers of interactive tools.

“B IR Website does not provide many interactivity tools on its website because Indonesian internet infrastructure is bad, so it will give a bad impact to the interactivity such as the accessibility (not clear and not fast). The impact will influence the inaccurate of the message, corporate reputation.....Therefore, email is the best interactive tools....for now it is not necessary to have Web 2.0 since B investors (floating) is only 36% and 85% of them are foreign investors (institutional investor). Retail is estimated only about 1%. (IR Bank B)

“ya..., it’s coming to the bigger source, we have webcast and you can dial in on the conference call. We try to execute it in the multimedia of communication to communicate with the investors..... Internet is a secondary source, source to get information not source to convey our story. If you want to have information go to the website but if you want to know the Bank you go to us, set up meeting, make contact with us (by email, phone, etc).....and for social media, we haven’t come to that level. Social media is more relevant to the corporate secretary because of they are more domestically centered. But for usI think we are sending ...we have all information coming through and a lot of our investors are foreigners so it won’t pretend them as much as many how....” (IR Bank A)

Moreover, Bank C does not have the interactive tools at all.

“No.... I don’t see the urgency right now to have interactive tools on the website since our Bank’s 60% share ownership is owned

by government and other 40% ownership is owned by public and most of them are foreigners which are institutional.....retails investors don’t have much money invested in our Bank.” (IR Bank C)

In addition, the respondents see the importance to use Web 2.0 technologies cannot be applied in Banks since the nature of the banks is conventional and highly regulated. All Banks agreed that the personal approach is appropriate because they can dig information more in-depth and get the big picture of the Bank condition. It confirms the Bonson and Flores research that Web 2.0 technologies and social media are not fully available in the corporate reporting arena in 132 main global financial companies in the banking and investment industry in Europe, Asia-Pacific region, and Americas. However, it confronts the Hogan’s statement that in US the usage of Web 2.0 has increasingly developed in US for investor relations activities.

“...it depends on the industry. Bank cannot do the social media to disseminate information about IR because the shareholders, investors and analysts need the detail information and they prefer to have direct contact such as one-on-one meeting or email.” (IR Bank B)

“ Best tool to have relationship is face to face relationship with them in Indonesia or by attending roadshow, conference....To believe our story, they want to see in person and understand who we are,just by reading papers and documents, it doesn’t allow us to convince them to trust us to invest for long time.....”(IR Bank A)

“We have no time to create social networking site.... Only fancy investors who cares with the social networking site but those who have concern in the calculating amount of money don’t care about it...” (IR Bank C)

Though the usage of Web 2.0 technologies on IR website are very minimum, but adjustable to the Web 2.0 technologies is applied. RSS feed,

webcasts, and investor calculations are still considered to be used on IR Website.

“It is purposed for retail investors to update information. But it is not applicable for institutional investors because they have received data from other sources such as Bloomberg.....” (IR Bank B)

“.....business information need to be timely and accuratethat’s only minimum.....we don’t use it as most other companies in other manners using it. Not priority tools to be using.” (IR Bank A)

Conclusion

The application of public relations communication model for the investor relations activities in Indonesia through the usage of Web 2.0 technologies is only for information dissemination, not to persuasion purpose in making investment decision. Banks also still develop a very minimum of Webs 2.0 technologies in investor relations activities through investor relations website.

Though Banks already use very minimum technologies of Web 2.0, it finds that the communication of investor relations of Banks in Indonesia to publics is in Public Information

category. It is still one-way communication. The information on investor relations website cannot be used to influence investor to the investing decision. The website is only used as the first gate to know about the Banks. Therefore the accurateness of the information on the investor relations website is highly considered since the trustworthy of information on website is very essential.

However, since the communication between investor relations and publics is to create mutual understanding, Banks use other approach of two-way symmetric communication. They use non-Web 2.0 technologies such as, one-on-one meeting, conference call, and roadshow. Though the approach is considered more traditional but it can give an effective result. Investors will have depth information about the companies and it will influence them to make a capital allocation decision.

For further research, it is suggested to survey Indonesian investor relations websites from any industries to have a comprehensive picture of the use of Web 2.0 in order to create the purpose of communication with stakeholders. The research can be used to see the effectiveness of Web 2.0 in Investor Relations activities.

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