

DISCOVERING THE “UNKNOWN” READERS OF ANNUAL REPORTS

Thanks to the increasing distribution of online annual reports, there are new options to analyse the usage of corporate reports. For the first time reports can provide “live data” on their actual usage: on the one hand, statistics and other analysis methods (e.g. heat maps) offer detailed insights into the use of an online report. On the other hand, direct user feedback can be obtained – for example with integrated micro-surveys.

For the purpose of our user study, such a micro-survey was integrated in the online annual reports of ten stock-listed companies, mostly from the DACH region. During the use of the reports, the survey appeared on the screen and basically included two questions: firstly, the users were asked which stakeholder group they belong to (“Which of these describes you best?”). Secondly, they should state their respective fields of interest (“Which topics are you looking for in the report?”). From December 2020 to July 2021, the analysed reports reached more than 300,000 visits. In total, 23,538 users participated in the survey during this timeframe. All data was collected anonymously.

Diverse spectrum of user groups

First of all, the results dispel a classic myth in terms of the reporting audience: undoubtedly, most companies see investors and analysts as the core target groups of annual reports. In numbers, however, they only make up a third of the users of online reports (32.5%). Annual reports apparently attract a broader spectrum of user groups than often assumed. Employees (25.0%), for example, represent the quantitatively largest group of stakeholders in our survey. In addition, numerous students and job candidates (14.5%), customers (8.2%), suppliers (4.0%), journalists (2.1%) and also representatives of NGOs (1.0%) are interested in reporting content. This means that annual reports clearly do not only address the financial community, but also their own employees and the broader public.



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The study also shows which topics user groups are interested in when reading an annual report. Asked for their specific interests, recipients stated that the financial performance (25.6%), the strategy (16.4%) and sustainability information (14.1%) are topics they are most interested in. Looking at single stakeholder groups, this impression diversifies considerably in some cases: sustainability experts, for example, show the least interest in financial performance, their main interest is – unsurprisingly – in the area of sustainability. Information on the company and the share as well as on the outlook are most frequently sought by private shareholders.

Sooner or later, every creator of an annual report probably asks the crucial question: “Who is actually reading this?” Up to now, not much has been known about readers of corporate reports and their interests. With a survey which reached more than 23,000 users of online reports, we addressed this question in 2021. Our findings dispel a myth about readers of annual reports and deliver insights on their interests.

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FIGURE 1: USER GROUPS OF ANNUAL REPORTS

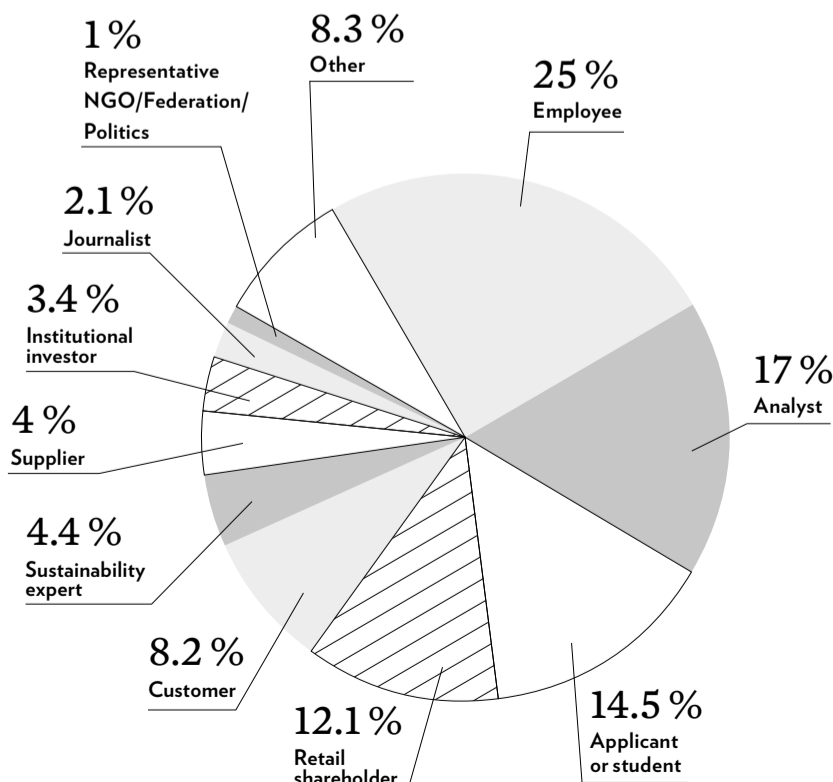
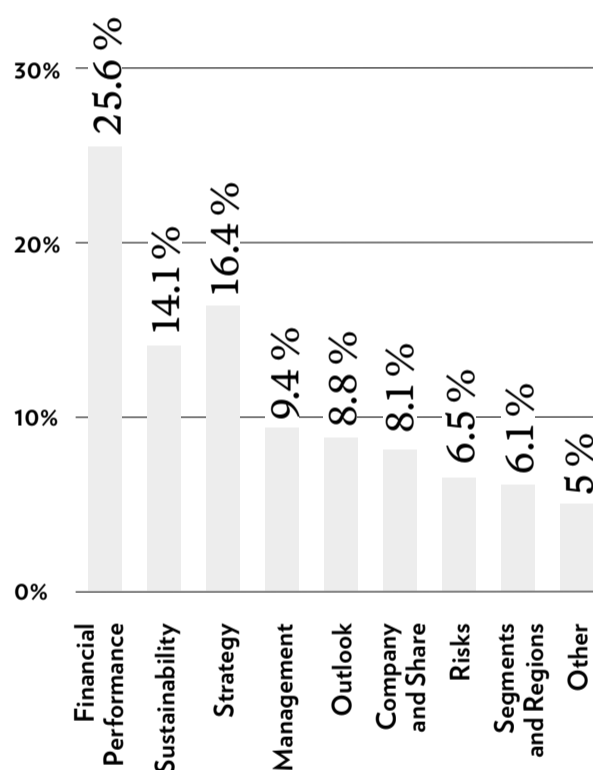


FIGURE 2: USERS' MAIN INTERESTS



Conclusion: stakeholder diversity first

The evaluation of the study results is still in an early stage. However these very first insights have a clear impact for reporting experts in stock-listed companies: first of all, it has to be stated that the annual reports' exclusive focus on the financial community as target audience falls short. Narrowing down an annual report to dry numbers, facts and tables written in financial jargon or offering the report only in the XBRL-format in future probably means ignoring large parts of the actual user groups. Other stakeholders, such as employees, customers, CSR experts or journalists, might be looking for completely different content in the report and might have different needs. Content must be processed in a way that is understandable for non-specialist stakeholders as well. What is more, the communicative role of the report in corporate communications must not be underestimated: the storytelling part or the CEO statement should address the different reader groups. Lastly, the conducted study clearly shows that stakeholders are not only interested in numbers, but also in qualitative information regarding topics such as the strategy or sustainability. In a nutshell, it is always wise to put the different stakeholder groups and their interests first.