Five components of a winning proxy strategy

Smarter retail engagement requires a comprehensive approach.

In recent years, issuers have looked to new digital technologies to reverse low retail participation rates. Increased retail shareholder participation can boost long-term loyalty, provide valuable feedback and help advance management proposals.

Although new communication technologies bring enormous promise, you shouldn’t altogether abandon traditional methods of engagement. Best practices suggest supporting traditional, paper-based proxies with next-gen digital tools to execute comprehensive strategies that improve outcomes and lower overall costs. To drive success, focus on making digital complement analog.

These are the five elements of a winning retail engagement strategy:

#1 DON’T SETTLE FOR BORING
Plain proxy mailings typically go unread. To grab shareholder attention, you’ve got to make your proxies pop. And it all starts with packaging. Transparent envelopes, bright colors and a compelling call to action are proven to boost open rates and generate higher responses.

#2 CAPITALIZE ON THE SCIENCE OF SENDING
Everyone’s inbox is overflowing, so how do you get shareholders to click on your email? Here are a few simple tips. First, your subject lines should be eye-catching and create a sense of urgency. Second, branding should be prominently visible.

Lastly, distribution cadence matters. Make sure messages are sent during peak activity times when shareholders are most likely to view them.

#3 GET SOCIAL
According to the Pew Research Center, roughly two-thirds of U.S. adults (68%) now report that they are regular Facebook users. Platforms like Facebook contain a vast, mostly-untapped reservoir of potential shareholders you can target with pinpoint accuracy (thanks to extremely rich user analytics). The biggest advantage: Social media is a cost-effective way to engage on a long-term basis—not just during proxy season.
#4 GET PERSONAL
No matter how many packages or emails you send, there’s almost nothing more effective than a phone call. Live-agent conversations enable shareholders to interact with a voting professional who can facilitate immediate voting. In addition to live-agent calls, pre-recorded CEO voice messages can also serve as an engaging lead-in to automated self-service voting portals.

#5 EDUCATE ADVISORS
Many shareholders call their advisor for help with proxy voting. It’s imperative to make sure advisors are informed and knowledgeable, so they can help navigate shareholders through the process. Be proactive—let advisors know what to expect. Send sample proxy mailings in advance with detailed instructions. You can also include friendly communications that convey why shareholder participation is important to your company and where advisors may find additional support.

ABOUT THE AUTHOR
Brandon Van Manen is Director of Engagement and Data Strategy at Broadridge. He is responsible for a team of industry experts with the goal of partnering with corporate issuers to help boost their retail shareholder vote participation through the use of data analytics and Broadridge’s suite of retail shareholder engagement products.