

# OTC Markets Advisor Insights Podcast

News Direct

Season 2 | Episode 7

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OTC Markets Group: From OTC Markets global headquarters in New York City, you are listening to Advisor Insights where we feature professionals that will address the issues that affect the small cap companies that trade on the OTC Markets. Joining us today is Gregg Castano, founder and chief executive officer of NewsDirect, a state-of-the-art news and content distribution service, and member of OTC Markets' Premium Provider Directory. Gregg, thanks for joining.

Gregg Castano: Thank you. Thanks for having me.

OTC Markets Group: So before we get started on today's topic of the future of tech in IR, can you give our listeners some background on yourself as well as NewsDirect and how NewsDirect came to fruition?

Gregg Castano: Sure. Well, my entire career, literally, up until NewsDirect was spent at Business Wire, which is one of the top two news wire services in the world. I spent 32 and a half years there and I worked my way sort of up through sales and then into management. I ultimately became the president of the company in 2009, and then I stayed in that position until 2017 and I started NewsDirect about a year and a half later, really, as a result of observations that I made and frustrations that I had with the industry in general, in terms of not leveraging the available digital technology to really improve the product, change the business model into more of a modern model and improve the user experience and I think a lot of customers would agree that while the end result is very satisfactory in terms of where they're able to send their content to where it needs to go, it's a little bit of a painful process to get there.

Gregg Castano: So we decided we want to kind of take a look at that and really change everything from start to finish about the entire kind of user experience and process, pricing and also some capabilities, we added some capabilities and I always say the only thing that's really identical to what we do in terms of how the user views it is we have the identical distribution footprint on a global basis as the major players, PR Newswire and Business Wire so that's where we are, we'd really wanted to upend the entire kind of workflow and the business model itself without messing with the important part which is where those, that content gets distributed.

OTC Markets Group: So my first question here for us to get started, it's a bit of a three part question, and I'm sure it elaborates a little on what you were just talking about, what changes or shifts in media have influenced how companies are presenting to the investor public? Have corporate issuers kept pace with the evolving multimedia environment? And what have you seen with how investors are accessing corporate information via media?

Gregg Castano: Well, I would say first of all, that the investor relations community and corporations in general on the investor side have sort of lagged behind the PR side of the business in terms of the wire service business, in terms of the acceptance and uptake of digital technology, right? And you mentioned the word multimedia, that's really what that really means in our world, right, is multimedia. And I think you've started to see over the last few years, companies really starting to kind of shift out of the strict text-based content and presentation that they make either to financial media, to investors or to the professional investor community and they started to move into certainly infographics and things like that. You could see, I know that certain, very large companies as General Electric is one, that their earnings document is really a huge info infographic.

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- Gregg Castano: JP Morgan chase, I think, also it's not solely an infographic, but it's largely an infographic so they are starting to kind of move in that direction and as with anything, I think it starts at the top and then everyone sort of falls along. So I would say to answer your question that up until now, they really have not kept pace all the way with the developments in digital communications and technology and multimedia, but I think they're starting to kind of get it.
- OTC Markets Group: And talking about the companies now, what should the corporate issuers be thinking about to improve reaching more investors?
- Gregg Castano: Well, as we know, and this is not necessarily a good thing, but attention spans have kind of shrunken quite a bit for a lot of reasons, then you add and the fact that we've been has come through this pandemic that God knows what the end result of that is going to be on human behavior but we've found, over time, that people in general, and specifically the younger you get down the kind of demographic scale, their attention spans get smaller and smaller as you go down that scale. And the reason for that is many of those people have kind of grown up in and become accustomed to consuming media and information in much shorter bites than our fathers and grandfathers and so forth right? You could see that just by sitting on a train on the commute in, now that people are doing that again, where you don't see a newspaper, right?
- Gregg Castano: It used to be, you had these guys, not only were they reading like the New York Times, the Wall Street Journal, but they had this really special way of folding it so they could read just little articles at a time and so it was almost like a technique to read the newspaper and that's gone away because there's no newspapers, people are reading tablets and probably even more so on phones now and the smaller kind of device gets, I think the smaller attention span gets, right, because it's very tedious to read something very long on a small device.
- Gregg Castano: On top of that, multimedia has made it easier to get kind of the gist of what you're trying to talk about in kind of a very quick kind of glance at it right? You can look at an infographic and pretty much get the idea of what they're talking about in a matter of 30 to 60 seconds whereas rather than reading a two page article or something like that. So for all those reasons, the intention spans have shrunk and as a result, both on the PR side and the IR side and the media side, as well as the issuer side, people have had to adapt to that right? So as a result, the media and even financial media, they have to produce multimedia content in addition to their text based content right? So if they have to produce it in order to get published in order to get clicks and get people coming back to their websites and so forth, then that means that IR people and PR people need to provide it to them, right. Otherwise they risk being ignored or marginalized.
- Gregg Castano: So I think it's very important for the IR side to realize that because it's a flow, right. It starts out with the media, right, well, it really starts with the reader and then the reader influences how the media behaves and then the media influences how the issuers behave and it's kind of that chain that happens.
- OTC Markets Group: You mentioned the pandemic, but looking towards the future and you kind of briefly spoke about it, what do you see kind of influencing, you mentioned that investors aren't really reading newspapers like they used to, so now they're looking at their phones, their tablets, what will catch the eye? What will influence the IR practices of the future?

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- Gregg Castano: I think mainly it has to be visual, right? I think even what we all consider to be a very stayed document, like an earnings release, I think it's going to take, it used to be the headline, right? The headline was the most important thing to grab the attention, right and the headline has now sort of been, not necessarily displaced, but certainly it's now sharing space with something visual, right? Some kind of image or video or something that grabs your eye and tells a little bit of the story and makes you want to kind of read the rest. So I think that's the really most important aspect. You know, it's a little less of an issue in financial releases obviously because people are most interested in those numbers, but I think anything that can demonstrate the numbers in a way that kind of attracts the eye immediately is going to be a benefit to the issuer and get more attention from more people.
- OTC Markets Group: Now is that industry specific or is that kind of across all industries? You know, how can a marijuana company kind of think about something like this versus a metals and mining company?
- Gregg Castano: Yeah. Well, I mean, certain industries lend themselves to better visuals than others. Metals and mining probably can't think of too many interesting photos and things like that, but I may be wrong, but I think, I don't think it's specific to industries, but I think it varies in degree across industries based on what those industries are doing right? Certainly consumer-facing companies, I think, have a better opportunity to kind of grab your attention with something visual and sensory than someone that produces rice or something like that. So I mean, it varies, but you can get creative too, right? I mean, there's a lot of ways you can make rice interesting if you really want to.
- Gregg Castano: So I think it... I would say that on the investor side, the investor relations side, it's very hard to marry people that are really good at investor relations that are also very creative from a kind of multimedia standpoint right? So I think that the CFOs and IROs of the future will have to have the blend of that in order to be kind of if you want kind of media darlings, right and attract the eye of the media beyond just wanting to know what their stock price is.
- OTC Markets Group: Now, Gregg, last question before you finish up here and this is just to talk about News Direct specifically now. Do you, does News Direct help with these sorts of infographics? Can you provide advice and support to your clients?
- Gregg Castano: Yeah. Well, the number one is that one of the basic founding premises of News Direct, what I thought needed to change is right now, or up till now the traditional wire services, they can distribute multimedia. They can send out your video or your photo or infographic, but they require you to embed that within a press release. So the first thing that we did as a service, as a platform is to create the ability to send out just a piece of multimedia or a number of pieces of multimedia which we call assets without having to embed that in the text-based press release. So that's the first thing we kind of brought to the table and then obviously we've kind of automated the workflow and then a lot of other things on the security side, but that was really kind of the first thought I had about what needed to change about the kind of the wire service model.
- Gregg Castano: So I mentioned before, I think it was, gee, I'm not exactly sure, and they may not do it anymore, but I do know that at one point they were putting out their earnings really just as an infographic and they got howls of derision and complaints from particularly broadcast media for some reason and I know CNBC was like cracking down on them, why aren't they

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sending us the information? What are they hiding? That kind of thing, but really what they were doing were that kind of the Vanguard of what really is going to be happening over the next five to 10 years. So our platform allows you to do that now so if you want to be so bold and do something like that you can do it if you want to on News Direct.

OTC Markets Group: Okay. Gregg, Gregg, thank you very much for joining us. It was great to hear your thoughts about the future of IR and news dissemination. If you'd like to speak with Gregg and News Direct further, you can find News Direct on our Premium Provider Directory under the News Dissemination Service. Gregg, if there are any other ways for our investors to want to speak, are there any other avenues for them to follow?

Gregg Castano: Well, obviously we have a website and you can go there. If you want to learn about the service you can click on the request a demo. You can send from there or directly, you can send us an email or whatever. We have a [hello@newsdirect.com](mailto:hello@newsdirect.com) if you want to just get in touch with us in general. And my email, if you want to talk to me directly is [gregg.costano@newsdirect.com](mailto:gregg.costano@newsdirect.com) and that's Gregg with two G's at the end.

OTC Markets Group: All right, Gregg, once again, thank you very much for joining us.

Gregg Castano: All right. Thanks Matt. Take care.

*\*This is an autogenerated transcript and may contain typos.*