USE OF THE INTERNET FOR INVESTOR RELATIONS BY PUBLIC LISTED COMPANIES

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Abstract

With the increasing emphasis on developing economies and the use of the internet for corporate relationship building, this study aims to investigate the usage of internet by listed companies in the ready-made garment industry in Bangladesh. The study will also include comparison of the contents of investor relationships with empirical evidence from around the world. The sample size contains 105 firms listed on the Dhaka Stock Exchange. Employing statistical analysis for measuring investor relations based on available contents disclosed in firms' website for investor information, this study found that the 105 firms disclose contents related to investors on their websites but fall short of the standard of other countries with only the company profile as the most prominent disclosure. Study result reports that companies in Bangladesh are still behind compared to developed economies in terms of using internet for investor relations. The study also recommends the Dhaka Stock Exchange, Bangladesh Garments Manufacturing and Export Association (BGMEA) and other indigenous regulatory bodies encourage firms to disclose more investor related information.

Keywords: Corporate Governance, Investor Relation, Disclosure, Firm Performance, Bangladesh

1. INTRODUCTION

National Investor Relations Institute (NIRI, 2003) describes investor relation as a strategic management responsibility that uses the disciplines of finance, communication and marketing to manage the content and flow of firm information to stakeholders to maximize firm valuation. In other words, investor relation is the process of sharing corporate information with investors with the aim of maximizing firm value. British Investor Relation Society defines investor relation as the management of the relationship between a company with publicly traded securities and the holders or potential holders of such securities. Both definitions are point to the relationship between management and investors, with the NIRI definition specifying information flow. A study conducted by Desoky & Mousa (2009) describe investor relation as acts used as means of minimizing information asymmetry between management and investors including potential investors. They opine that this is done by supplying necessary information related to firm profitability, share price, and non-financial issues to investors. In defining investor relation Marston (1996) assert that the main purpose of investor relation is to supply information to the various interest groups to enable them to evaluate the firm, which is consistent with the NIRI (2003) definition.

Flow of information on firm activities to the shareholders and other interest groups reduces the uncertainty among investors as well as helps in minimizing the negative effect on share price (Hamid, 2005). This leads to the suggestion that investor relation building is a process that not only can influence but can restore investors' confidence (Gruner, 2002). Gruner claims that investor relation is a key factor in increasing investors' confidence in an uncertain economy. Bangladesh is an uncertain economy (Xiong, 2011; Ishraq, 2012), both in terms of internal and external factors such as negative news on firm performance, unpredictable economic conditions which may lead investors to uncertain perceptions on firm share price. These issues require firms to supply investors and the general public, firm specific information on their performance along with other relation building information. This is to ensure not only current investors but potential investors are well informed. With the use of the internet, firm web sites, provide both financial and non-financial information to the different types of users (Desoky & Mousa, 2009). Firms in developing economies such as Bangladesh can use the Internet as a strong communication tool to build investor relation and confidence in the firms they have invested in. This could help reduce the recent hap-haggard experience by investors of public listed firms in Bangladesh (Hossain, 2011), the reason being maintaining good investor relations by the dissemination of accurate information may have a positive impact on share prices and investors' confidence (Hamid, 2005). Further clear and understandable full and fair disclosure may reduce investors' risk. The recent stock market collapse in Dhaka Stock Exchange has shaken the confidence of investors and regulatory bodies' have pointed out the significance of corporate disclosure and investor relations.

These paper discuses the empirical evidence relating to investor relations in public listed companies in Bangladesh by examining the relationship between firm performance and disclosure relating to investor relations by Bangladeshi listed firms on their web sites. The current study is essential as the no research has been conducted on the use of the internet to enhance investor relations in Bangladesh.

The main objective of this study is to examine the disclosures relating to investor relations by listed firms in Bangladesh and to also investigate the possible effect of firm performance and disclosures relating to investor relations. According to Hamid (2005), investor relation can be by way of formal and informal communication. Formal communication includes publishing annual reports, interim reports, and shareholder meetings while informal communication includes answering queries, providing feedbacks on reports, mailing information to analysts and other investor organisations.

However, with the emergence of the internet as an easy platform, companies are forced to disclose investor related information on their website without any legal enforcement (Hamid, 2005). This platform enable the dissemination of information globally without any boundaries with minimal cost. Shareholders including other interest groups can view financial reports and press releases on firm website rather that via print media. It follows that the use of the internet is an efficient means to communicate with investors in an efficient manner including cost reduction and prompt sharing of information.

In order to attract foreign investment and grow the industrial sector of the country, the government of Bangladesh has over the years taken proactive initiatives which resulted a series of regulatory reforms, for instance Bangladesh Bank Order (1972), Bank Companies Act (1991), Financial Institutions Act (1993), Securities and Exchange Commission Act (1993), Company's Act (1994), Bankruptcy Act (1997) and finally the launching the Code of Corporate Governance in 2004. Each of these initiatives meet the needs of specific areas. To cite an example, the Code of corporate governance provides guidelines on number of issues including board composition, board sub-committees, leadership structure, shareholders rights, and corporate disclosure. The key objective of these initiatives is to develop and control business sector of the country. However, in spite of these progressive initiatives, in 2010-2011 the stock market shake up with share price abrupt unexplainable fluctuation took the investors and regulator by surprise. This leads to the importance that prompt corporate disclosure could be of paramount importance in maintaining to investor relations. The next section contains the literature review on investor relations followed by a sections on research methodology, analysis, findings, and discussion and conclusion.

2. LITERATURE REVIEW

Though very limited research has been conducted in Bangladesh, empirical evidence on the importance of disclosure and investor relation in other countries is profound. Investor relations and corporate disclosure appears to receive significant attention in the developed economies. Deller et al., (1999) investigated the disclosures in terms of investor relations provided on firm web sites based on the US, the UK and German larger firms and found that firms in USA are ahead in making investor relations disclosures at their websites compared to UK and Germany. This could be due the technological advancement in the US; though the 90s was the period of the emergence of the virtual world. Another landmark comparative study was conducted by Allam & Lymer (2003) based on five advanced economies. The study found that almost 100% large listed companies from those countries possess their own websites to provide prompt disclosure of relevant information to support investment decision making.

Kai & Lance (2004) studied 29 large firms from seven different countries and reported that all the sample firms had their own websites wherein disclosed investor relations information as part of their corporate social responsibility. Martin (2001) computed a shareholder value index by compiling data on accounting, investor relations, variable top management compensation and the implementation of profitability goals to understand and compare the shareholder expectations. Based on 40 largest listed German companies, the study found that investor relation is significant to the decision making process in investment.

Laury et al. (2008) investigated the use of the internet to build investor relation by studying 70 firms based in six countries namely Australia, Belgium, France, the Netherlands, South Africa and the UK and reported that sample firms have an investor relation section of their websites. They also reported that firm size, internationalization, proportion of shares held by individual investors and disclosure are significantly associated with the extent of investor relation disclosure on the Internet.

An earlier study conducted in the UK by Carven & Maston (1997) was different from the above empirical studies. They authors investigated issues relating to investor relations based on large UK companies and concluded that size of the company has the greatest association with investor relations, non-executive directors do not appear to influence investor relations in firms, larger the company greater is the expectations of investors, and non-executive directors may not have any likely influence on investor relations. The study reveals a key aspect, that is, investor relations disclosure is related to firm size. This finding was subsequently supported by Ashbaugh et al. (1999) and Marston & Polei (2004). Ashbaugh et al. (1999) studied the influence of firm size on investor relations using 290 large firms in the US, while Marston & Polei (2004) used samples from Germany. Both studies concluded that firm size and disclosures relating to investor relations have a significant relationship.

Rao & Kumar (1999) show empirical evidence that in 1980s hardly any firms had an investor relations department. The authors examined the coercive and mimetic conditions leading to the establishment of investor relations departments among Fortune 500 industrial firms during the 1984-1994 and found that anti-management resolutions brought to a vote by social movement activists significantly contributed to the establishment of investor relations departments. They proved that social movement was needed to give importance to shareholders' rights. Another study was conducted in this area in Bahrain (Desoky & Mousa, 2009). This study examined 40 listed companies on Bahrain stock exchange. It indicated that 85% firms on the Bahrain stock exchange have their own accessible websites while 26.47% firms have a separate investor relations section on their web sites. This was a significant development in a country with an emerging market.

Studies conducted in developing countries in Asia to understand the importance of the internet in investor relations has grown in the recent decade (Hamid, 2005; Noor & Mohammad, 2000; Khadaroo, 2005). Noor & Mahamad (2000) studied 218 listed companies based in Malaysia and reported that only 11.5% firms provided annual reports on their websites. Hamid (2005) updated the information by studying where the study included 100 public listed firms in Malaysia and reported that 74% firms have their own website whereas the 26% have no websites. Further of the 74 firms, 70 provided investor relations materials on their website while the remaining 5% did not have an investor relations section on their websites.

Khadaroo (2005) did a comparative study based on Malaysian and Singaporean listed firms and found that Singaporean firms have a higher percentage of internet presence compared to Malaysian firms. Another study based on 99 large Japanese firms reported that majority of the firms have their own websites in English language and provided their annual report on the their websites (Marston, 2003) . Though, there are number of studies conducted on investor relations both in developed and developing countries, most of them are descriptive in nature (Hamid, 2005). This study aims to investigate the effect of investor relation disclosure on firm performance based on public listed firms in Bangladesh.

3. METHODOLOGY

This section describes the data collection process both for dependent and independent variables. It also includes the analysis of the data. This study employed secondary data in order to test the research objectives which is to empirically test whether investor relation disclosures affect firm performance. Variables are categorised into two main groups, investor relation disclosure related variables (independent variables) and firm performance related variable (dependent variable). Investor relation variables include information on the firsm website relating to investor relations - company background, firm contact information, annual reports, frequently asked question (FAQ). Firm performance measure uses earnings per share (EPS). All the variables are presented below in the table:

Table 1. Independent and dependent variables

Variable	*Related proxy*
1- Firm web site	If the firm has web site it valued at 1, otherwise 0
2- investor relation disclosure 3- company background	If there is investor relation section it is 1, otherwise 0 It is 1 with company profile, otherwise 0
4- firm contact information 5- annual reports	1 with contact information, otherwise 0 1 if annual reports are given, otherwise 0
6- FAQ	1 if FAQ section available, otherwise 0
7*EPS	Earnings per share

**Earnings per share of year data, Dhaka stock exchange web site.*
- Sources of investor relation data were collected from the company web sites.

3.1. Sample

514 companies are listed on the Dhaka stock exchange as at the end of December 2012,. Due to data availability and time constraint, only 105 companies are included in the sample for this study. Companies listed on the Dhaka stock exchange are classified into 22 main sectors among which only 6 industries were considered for this study: Banks, Cements, Ceramics sector, IT sector, Pharmaceuticals and chemicals, and Textile. This classification is based on the Dhaka stock exchange. Table 2 summarises the distribution of companies by sectors. Information related to firm characteristics, investor relations, and firm performance was collected from the companies' web sites and the Dhaka stock exchange. The web site of each firm was visited and examined in detail to collect investor relation information.

Table 2. Number of companies (sector wise)

	Sector	*Number of companies*
1	Banks	30
2	Cements	6
3	Ceramics sector	5
4	Fuel and Power	14
5	IT sector	6
6	Pharmaceuticals and Chemicals	18
7	Textiles	26
	Total	**105**

The reason behind selecting the year of 2011 was to understand the impact of the stock market collapse in 2010. This study examines the hypotheses in the light of after math of the Bangladesh stock market collapse. Moreover, the World Trade Organisation (WTO) declared Bangladesh as the second largest ready-made garments exporter after China in 2010-2011 when the country's export grew by 43.36 percent ($15.66 billion) in spite of global recession in 2007-2008 (Shoukot, 2013), and increased to $19.09 billion in the following fiscal 2011-2012. Further according to McKinsey & Company, an international management consulting firm, Bangladesh's apparel exports will reach $36 billion by 2020. The strength of the country's apparel sector is well understood through its ability to supply high-end items to famous global brands such as Hugo Boss, Adidas, Puma, Tommy Hilfiger, G-Star, Diesel, Ralph Lauren, Calvin Klein, DKNY, Nike, Benetton, and Mango. Further, a number of prediction have been made on the country's prospects by World Bank as well as by various economic scholars (Shoukot, 2013). Bangladesh will enter into the group of middle income countries by 2021, and will exceed western economies by 2050 (Global Trends 2030) and 27 European countries by 2030 (The Guardian, 2012). All these predictions need to be considered in the light of the United Nations (UN) stating Bangladesh's gross domestic product (GDP) grew by 6.2 percent in 2012, which was second to Sri Lanka's the fastest in the region at 6.5 percent.

Table 3. South Asia, rates of growth of real GDP, 2009-2014

	2009	2010	2011	2012[a]	2013[b]	2014[b]
South Asia	7.0	8.3	5.8	4.4	5.0	5.7
Bangladesh	5.7	6.1	6.7	6.2	6.3	6.4
India	8.2	9.6	6.9	5.5	6.1	6.5
Iran, Islamic Republic of	4.0	5.9	2.0	-1.9	-0.9	1.5
Nepal	4.5	4.8	3.9	4.0	3.7	4.0
Pakistan	3.6	3.5	3.0	3.8	4.2	4.4
Sri Lanka	3.5	8.0	8.3	6.5	6.7	6.4

Source: UN/DESA, based on data of the United Nations Statistics Division and individual national source:
a: Party estimated.
b: Baseline scenario forecast, based in part Project Link and the UN/DESA World Economic Forecasting Model

This study intends to examine the empirical reliability of these predictions based on public listed firms' performance and its investor relation disclosures.

3.2. Firm Performance

Several previous studies used profitability as a performance measure and the influence of corporate governance on firms' performance (Altman, 1968; Altman, Haldeman & Narayanan, 1977; Jensen & Meckling 1976; Fama & Jensen, 1983; Daily & Dalton, 1994; Klein, 2002; Abdullah 2006; Mir & Souad, 2008; Afza, 2011; Yoon et al., 2012). Firm performance has been studied by several authors as a dependent variable. Other financial measurement tools on firm performance used in various empirical studies on corporate governance fit into both accounting based measures and value based measures (Kiel & Nickolson, 2003). However, the most commonly used conventional measures are return on assets (Yermack, 1996; Klein 1998; Ponnu & Karthigeyan, 2010; Abdullah, 2004;) , return on equity (Donaldson & Davis, 1991; Vafeas, 1999; Abdullah, 2004; Anthony, 2007; Yoon et al., 2012), earnings per share (Ponnu & Karthigeyan, 2010; Addullah, 2006; , as well as gearing ratio (Kiel & Nicholson, 2003; Baysinger & Butler, 1985). Apart from these measures, Tobin's Q is another widely used performance measure (Barnhart, Marr & Rosenstein 1994; Yermack, 1996; Anthony, 2007; Belkhir, 2008).

Beaver et al., (1969) argued that accounting data have been shown to be associated with variations in risk premium, whereas Hopwood et al., (1994) contended that statistical models based on accounting data have been widely used since 1960s to determine firm performance. Hence, this study uses earnings per share as performance measurement tool.

Desoky & Mousa (2009) suggested that investors perceive the absence of voluntary disclosure as an indication of "bad news" about a firm. The study further argued that profitable firms have the incentive to distinguish themselves from less successful firms to raise capital at the lowest possible price. Voluntary disclosures on the web are one way to achieve this. According to agency theory, managers of the highly profitable companies are motivated to disseminate more information on the firms' web site to achieve personal advantages such as the continuance of their positions and compensation justification (Haniffa and Cooke, 2002).

From the empirical evidence it is obvious that there are mixed results reported on relationship between investor relation and firm performance. Ettredge et al. (2002); Oyelere et al. (2003); and Marston and Polei (2004) reported a negative relationship. Conversely, a positive relationship was reported by other studies (Ismail, 2002; and Juhmani, 2008). Hence, the following hypotheses will be tested in this study:

H_0: there is no relationship between investor relations and firm performance

H_1: there is a relationship between investor relations and firm performance.

3.3. Data Analysis

Data has been analysed using Statistical Package for Social Sciences (SPSS). In achieving the research objectives, descriptive statistics and Pearson Correlations are used. Independent variables include firm web site, contact information, firm profile, investor relations, and annual report disclosures while the dependent variable is firms' EPS. Pearson correlation was used to examine the strength of the relationship between the variables. Based on five independent and one dependent variable, the following regression model has been developed:

$$EPS = \beta_0 + \beta_1 WEBS + \beta_2 INFO + \beta_3 PROF + \beta_4 INVS + \beta_5 ANNU + \varepsilon \quad (1)$$

where, EPS = firm performance; β_0 is a constant; β_i, $_{i=1,\ldots,5}$, are parameters; WEBS refers to the firms that have internet web sites, INFO refers to whether the firms provide contact information at their websites; PROF stands for firm's profile which is usually given on the firm's website; INVS refers to whether investor relation section is provided on the firm's website or not; ANNU refers to firm's annual reports which is given on firm website and ε is error term. By using the "enter" method (a standard regression), the model involves all of the 5 independent variables being entered into the equation at once with a probability of $F \leq 0.05$ is included in the model.

4. RESULTS AND DISCUSSION

Table 4 depicts the descriptive statistics results for the variables employed in this study. The mean EPS is 5.94. Results report that 96% of the public listed firms in Bangladesh have their own web sites; however only 30% of the firms provide a separate investor relation section on their web site. From 105 sample firms 93% of them have detailed company background information on their web sites; 94% of them provide contact details; and 93% of the firms provide annual reports on their web sites for the stakeholders. However, among all the sample firms only 6% of them provided a frequently asked question (FAQ) section on their web sites. Among all the variables it is found that FAQ and investor relation sections are not given their importance on the firms websites.

Table 4. Descriptive Statistics

	N	*Minimum*	*Maximum*	*Mean*	*SD*
Web sites	105	0	1	0.96	0.19
IR info	105	0	1	0.30	0.46
Company Background	105	0	1	0.93	0.25
Contact Info	105	0	1	0.94	0.23
Annual Report	105	0	1	0.93	0.25
FAQ	105	0	1	0.06	0.23
EPS	105	-2.70	47.16	5.94	8.87

Note: EPS is in BDT (Bangladesh currency). the figures have been changed to two decimal places. SD stands for standard deviation. Number (N) of observations are 105.

Pearson correlation coefficient was applied in this study to indicate the relationship between independent variables (web sites, IR information, Company Background, Contact info, Annual report, FAQ) and dependent variable (EPS). There is a perfect positive linear relationship, when the r value is at the level of +0.01. On the other hand, there is a negative relationship between variables, if the r value is at the level of -0.05. The study also reveals a positive relationship between variables, when the r value is at the level of +0.05.

Statistically, one tailed test is specified when the critical area of a distribution is one sided, or in other words it is either higher than or lesser than a certain value. Using this , if the sample results are analysed from a one sided critical area, the alternative hypothesis is accepted instead of the null hypothesis.

Statistically, a two tailed test refers to a critical area of a distribution which is two sided and tests whether a sample is either higher than or lesser than a certain range of value (Wayne et al., 1997; Robert, 1998). This study employed two tailed significance analysis to test the hypotheses.

Table 5. Correlations Coefficient

	Correlation (Sig.)						
	Web sites	*IR info*	*Company profile*	*Contact info*	*Annual report*	*FAQ*	*EPS*
Web sites	1						
IR info	.13 (.19)	1					
Company profile	.75** (.00)	.17 (.08)	1				
Contact info	.81** (.00)	.16 (.10)	.92** (.00)	1			
Annual report	.55** (.00)	.17 (.08)	.39** (.00)	.43** (.00)	1		
FAQ	.05 (.62)	.11 (.62)	.07 (.51)	.06 (.54)	-.10 (.31)	1	
EPS	-.05 (.64)	.04 (.71)	-.10 (.30)	-.01 (.96)	.01 (.91)	-.10 (.31)	1

Note(s): Number of observation (N) is 105. Sig. represents the significant value (2-tailed). (*) (**) indicates that correlation is significant at the 0.05 level (2-tailed) and 0.01 level (2-tailed), respectively.

Table 5 shows the results for Pearson correlation coefficient for all the variables employed in this study which examined the association between investor relation related variables (independent variables) and performance variable (dependent variable). The Table 5 presents the overall correlations and reveals that where the correlations were low, there are number of statistically significant relationships.

The result shows that the investor relation information is not associated with firm performance, EPS. However, company profile is significantly associated with firm web sites, while firm contact information provided on the web sites is significantly associated with company webs sites and company profile. Company profile and firm contact information are associated at the level of, $r = 0.75$, p (two – tailed) < 0.01, $r = 0.81$, p (two – tailed) < 0.01, and $r = 0.92$, p (two tailed) <0.01 with firm web sites and company profile. On the other hand, annual reports published on the firm's web sites has significant relationship with company profile and contact information, while there is no relationship with EPS. The significant correlation shows that $r = 0.55$, p (two – tailed) <0.01, $r = 0.39$, p (two tailed) <0.01, and $r = 0.43$, p (two tailed) < 0.01 level, showing no association with the performance variable. Fifth independent variable FAQ also does not show an association with firm's performance.

The results found in this study reported significant relations between investor relation disclosure and firm performance in Bangladesh. There has been very limited research conducted on this issue in Bangladesh and other developing economies. This study reported that company background as well as contact details on firm web sites have significance influence on firm performance, EPS. This finding is consistent with earlier study conducted by Hamid (2005), and Desoky & Mousa (2009).

Desoky & Mousa (2009) opined that only 26% companies in Bahrain possess separate investor relation section on their web site while 85% firms have their own web sites. The authors reported that there is a significant relationship between board size, firm size board composition and investor relation disclosures while there is negative relationship between investor relation disclosure and firm performance which was due to various reasons, for instance, business climate and the interest usage of the country. This study found a positive relationship between two investor relation disclosures items (Table 5) and firm performance which reports inconsistent results with the results found by Desoky & Mousa (2009). This inconsistency could be due to the different business strategies in the two countries.

On the other hand, Hamid (2005) summarised that 74% of the Malaysian companies surveyed had their own web sites and majority of them had separate investor relations section on their web sites. However, the study reported that Malaysian companies are not utilising the full potential of the internet for investor relation purposes rather they depend on conventional communication tools with institutional investors and other group of stakeholders. Compared to Malaysia, in Bangladesh 96% (Table 4) of the firms have their own web sites which is much higher than that of Malaysia. Conversely, only 30% (Table 4) firms in Bangladesh have separate investor relations sections on their websites while all the Malaysian firms have separate investor relation section on their websites. .

The most remarkable study on investor relation and firm performance conducted based on Australia, Belgium, France, the Netherlands, South Africa and the UK using 270 firms, concluded that investor relation is significantly influenced by number of factors including firm size, internationalisation, and proportion of share held by individual investors. The finding of this study on Bangladesh firms is fairly similar since the results find that firms in Bangladesh give low priority to a separate investor relation section on their webpages.

5. LIMITATION OF THE STUDY

This study included only seven industries among 22 industries on the Dhaka stock exchange. The findings in this study cannot be generalised to other developing economics in the areas of Bangladesh due to differences in technological advancement, infrastructure, and business and cultural differences. This research examined only five investors related issues disclosed on web sites, however there are number of other issues which could be included to examine their effect on firm performance. It may be due to lack of technological advancement in developing economies that firms may not find it feasible to have a separate investor relation section on their websites. Hence, future research could include more industries with more investor related issues and in a different time frame.

6. CONCLUSION AND RECOMMENDATION

This study provides empirical evidence on investor relation disclosures by Bangladeshi public listed firms. The study examined whether investor relation disclosure can influence firm performance in public listed firms. Descriptive statistics reports of the 105 public listed companies in this study, 96% use internet facilities for disclosing their investor related information and 30% of them have separate investor relation section on their websites. Accordingly only 6% of the firms provide FAQ section on their websites, which is very important section to support investors. The regression results reported that investor relation disclosure on firm web sites significantly influence firm performance in Bangladesh. Results showed that firm background and contact details on websites are positively associated with firm performance. This could be due to firms wanting to provide information to potential investors to easily identify the firms' business area and contact the firm.

Though there are number of potential predictions made by number of international reports on economic growth of Bangladesh, there are some areas of concern raised. Generalised System of Preference (GSP) is the facility that allows duty free export from a country, and Bangladesh has been experiencing this facility for the US and EU market. In December, 2012 US trade representative has informed the commerce minister stating that "we are beginning to consider options that would affect Bangladesh's continued eligibility for benefits under the GSP" (The Daily Star, 7 January 2013). In January 2013, the European Parliament brought a bill to encourage tougher safety law and proper inspections in Bangladesh following deadly fires in garment factories in Dhaka (The Daily Star, 18 January 2013). A very small 0.54 percent of Bangladesh's total exports of $4.87 billion to the US now enjoy duty free status. But the country has been demanding duty waiver on its garments exports which was worth over 4.39 billion. If the country could get the duty free access on garments, it could have made the country's apparels much more competitive as the US releases $720 million as duty on garments originating from Bangladesh. Debapriya Bhattacharya claimed that Bangladesh still has the opportunity to avert the situation, provided that the government and the company owners urgently improve their labour facilities as required by the US and the EU; in fact government has to show some concrete achievements, spell out the things it want to do in future and then negotiate (The Daily Star, January 7, 2013). This study suggests to make Bangladesh's corporate sector rise up to the expectations of international organisations it should use the internet to communicate to its investors and thereby strength relationships that could have a positive impact of firm performance. Better use of the internet by the public companies in Bangladesh could influence the inflow of foreign direct investment and the betterment of the economy.

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