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Social Compliance: Protect Brand Equity and Ensure Governance

Social media has been used more and more as a strategic channel to communicate with customers over the past several years. In fact, Aberdeen's *Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight* research (January 2012) shows that 58% of all companies use social media portals to share information with their customers.

During November and December of 2011, Aberdeen surveyed 523 organizations on their *Social Media Marketing, Social Selling and Social Service* activities. This study reveals that maintaining and improving brand awareness is top of mind for 80% of the organizations with customer-facing social media activities. However, 49% of these businesses indicated that they don't know the average time elapsed between the detection of a potential threat to their brand reputation through social media, and the dissemination of this knowledge to the relevant decision makers. This shows a fundamental immaturity in many organizations' social media strategy: social media is used without adequate monitoring or governance systems in place. Companies lack social compliance initiatives.

Social compliance programs help companies monitor, analyze and report on archived social media content - see sidebar. Managing brand awareness and averting threats requires organizations' social compliance programs to grow more proactive. This Aberdeen Analyst Insight highlights the role social compliance programs can plan in ensuring governance, and managing brand effectiveness and brand consistency. It also provides a framework of best practices that are instrumental to building effective social compliance programs.

Why Social Compliance Matters?

There are two pillars to building a proactive social compliance program to manage customer communications through the social channel: 1. Inbound - Monitoring relevant customer activities within social media portals and transferring them within internal knowledge repository; 2. Outbound - Monitoring and governing content that organizations deliver through social media portals. The second pillar is crucial for companies in heavily regulated industries such as oil & gas, financial services, and healthcare. These companies operate under stringent requirements, and as such must store / archive information (i.e. social activities) within a centralized repository.

Only a proactive company can deploy a successful social compliance initiative. A proactive social compliance program requires businesses to

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

"Our primary use of social media are focused on maintaining brand awareness and staying current with the needs and requirements by our customers and the industry. This helps us stay connected with customers while ensuring compliance with industry regulations."
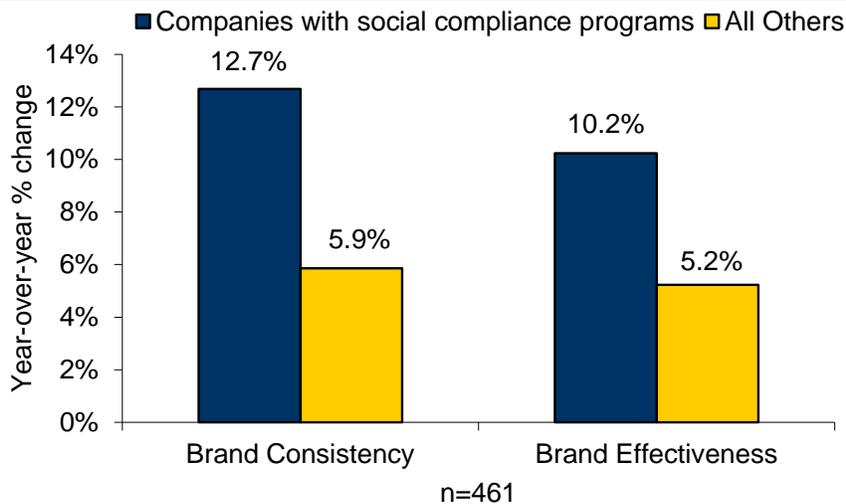
~ CIO of Mid-size Chemical Products Company based in the U.S.

Definition of Social Compliance

For the purposes of this paper, Aberdeen defines social compliance as a set of business activities that allow organizations to monitor inbound and outbound social media content, analyze them and finally archive, allowing companies to preserve an audit trail which would serve as an evidence to ensure governance.

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monitor social media portals regularly to respond to customers, initiate conversations that will influence target constituents' awareness and perceptions of a company's brand, and ensure governance through internal social media policies. Data from Aberdeen's November 2010 *Marketing Asset Management: It's More than Just An Image* research reflects the importance of social compliance initiatives in improving year-over-year organizational performance with brand management - Figure 1.

Figure 1: Social Compliance Improves Brand Results

■ Companies with social compliance programs ☐ All Others

Brand Consistency: 12.7% / 5.9%
Brand Effectiveness: 10.2% / 5.2%

Year-over-year % change

n=461

Source: Aberdeen Group, January 2012

As illustrated in Figure 1, establishing a social compliance program to manage inbound and outbound social communications in accordance with internal or industry regulations allows companies to achieve 2.2-times greater year-over-year improvement in brand consistency, compared to businesses without social compliance programs - see sidebar for explanation on measuring this metric. It also helps them achieve approximately twice the year-over-year improvement in building and nurturing the effectiveness of their brands. Aberdeen's November 2010 *Marketing Asset Management* research shows that organizations with social compliance programs are 15% less likely to violate the requirements (e.g. corporate and industry) governing brands and organizational activities. This 15% gap is especially significant considering the potential of a governance failure to damage a company--both by tarnishing its brand image, and by incurring legal repercussions.

Demystifying the Secrets for Social Compliance

Aberdeen's pending *Social Media Marketing, Social Selling and Social Service* research reveals several capabilities and tools companies use to support their social compliance programs (Table 1). Some of these tools are currently in the early majority phase of adoption; however, companies with

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Definition of Metrics

For the purposes of this paper, Aberdeen the following KPIs as follows:

√ **Brand Consistency**: Ability to ensure using the same brand standards by numerous people across different departments, through different channels and languages. In the context of social compliance, it is measured by determining the number of branded assets (e.g. content or message) violating the brand standards within social portals and dividing it with the total number of branded assets within this channel.

√ **Brand Effectiveness**: While there are numerous ways to measure a company's brand (e.g. recognition and perception), this measure ultimately indicates how a company's brand name helps to drive sales. In the context of social compliance, it is measured by the incremental overall revenue a company is able to drive through the social channel, in comparison to similar products or services in the marketplace.

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social compliance programs are more likely to adopt all of them, as part of their quest to protect brand equity and ensure governance.

Table 1: Percentage of Companies Adopting Key Business Processes & Technologies

	Companies with Social Compliance Programs	All Others
Established company policy for employee use of social media	82%	28%
Use social media monitoring tools	50%	24%
Archiving outbound social media content	36%	21%
Formal process for social collaboration	32%	16%
Create or update client information through social intelligence	32%	15%

Source: Aberdeen Group, January 2012

- **Establishing a company policy for employee use of social media.** Employees can expose a company to a wide array of risks while using social media channels to share information. For example, an insurance company might inadvertently disclose details of an insurance policy; a government employee might accidentally send a tweet with confidential information. Regardless of the specific scenario, creating a corporate policy on use of social media will go a long way toward ensuring brand compliance. Data shows this is the most widely adopted business process to ensure social compliance. Eighty-two percent (82%) of companies with social compliance initiatives currently have such internal policies. This doesn't mean forbidding the use of social media, but controlling the information released, and in certain cases, the timing of that release.

- **Archiving outbound social media content.** This knowledge management process allows companies to store any social content produced or posted by any stakeholder within the organization in a centralized repository linked to outbound social media activities. For example, let's assume an employee posts confidential information to a blog or sends a tweet and later deletes it - this might still pose a challenge for the business, as this information might be captured and resent to potentially millions of external stakeholders, or even indexed by search engines. This knowledge management process provides an audit trail on the nature and sequence of social media activities. This is even more important in

heavily regulated industries like pharmaceuticals, government, energy, and financial services. Successful social media archiving includes scanning archived social content to determine whether outbound social media content is consistent with brand guidelines. In fact, data from the *Social Media Marketing, Social Selling and Social Service survey* shows that companies adopting this business process are 74% more likely (40% vs. 23%) than all other companies to be able to maintain their brand consistency, and, as a result, manage the adverse effects of negative publicity.

- **Formal process for social collaboration.** For the purposes of this study, Aberdeen defines social collaboration as an organizational process to leverage social channels to capture and disseminate information to multiple stakeholders within the organization. This process serves as an internal self-check mechanism; while exchanging information and content, employees might detect content or activities that do not comply with rules governing employee use of social media, posing risks and creating governance issues. Companies with social compliance programs are twice as likely as all others to follow this business process. Thirty-seven percent (37%) of all companies with customer-facing social media programs also plan to integrate this business process with their social media programs during 2012.

Table 2: Average Adoption Rate of Social Collaboration Tools

	2011	2010
Yearly adoption of social collaboration technology	37%	23%

Source: Aberdeen Group, January 2012

- **Creating or updating client information through social intelligence.** This process helps companies manage and update their knowledge repositories through inbound social activities. Companies using social intelligence monitor social media to gather data about prospects and customers. This information can then be used to create new customer records or update existing records with social profiles. To define the value of this process, Aberdeen's *Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential* research (September 2011) notes; "… *the best corporate performers recognize the potential business value [of social media] as well, by adding this modality to the ways in which they stay informed about their customer and support a holistic view of their behavior*." Organizations with this process will be able to focus their resources on value-adding activities, as opposed to conducting ad-hoc analysis to find relevant customer or prospect data within myriad social portals.

- **Using social media monitoring tools.** These tools help companies track activity in the social sphere. Businesses can use

keywords and / or search criteria to filter the vast amount of information distributed through these channels. A pharmaceutical company might use these tools to track social conversations about one of its products. If a product causes adverse side effects and consumer(s) start sharing their experiences through the social media outlets, the company can track these activities and respond before the issue grows. The organization can create an audit trail of activities, from recognizing the problem to responding, by integrating and archiving social media information within internal repositories. Data from the *Social Media Marketing, Social Selling and Social Service* survey shows that 33% of companies are planning to increase their adoption of this technology during 2012. Table 3 below illustrates how using this technology helps companies with supporting their social compliance initiatives (see sidebar for definitions). Companies that are not using social media monitoring tools are less likely to have visibility into the time required for their business to capture information through social media portals, which creates many challenges to these organizations, since the ability to identify and address a potential threat is critical to protect brand equity and ensure governance.

Table 3: Social Media Monitoring Tools Provides Access to Information

% of Companies Indicating No Visibility	Users of Social Media Monitoring	Nonusers
Time-to-brand threat information	37%	53%
Time-to-competitive-intelligence information	33%	52%
Time-to-'buzz'-awareness	30%	48%

Source: Aberdeen Group, January 2012

Required Actions

As the number of tweets, links and blogs grow continuously, businesses are turning to social media channels as a part of their overall communications mix. Fifty-eight percent (58%) of all organizations currently use social media in their customer management activities, and Aberdeen's planned spending data indicates that this number will grow over the next few years (see sidebar). However, adopting social media alone is not enough to improve the awareness or effectiveness of a brand, or to manage governance risks. These risks are especially acute for companies in heavily regulated industries. Protecting brand equity and ensuring governance requires companies to build a social compliance program. In addition to the steps

Definitions

√ **Time-to-brand threat information**: Time between potential threat to brand reputation and delivery of information to decision-maker

√ **Time-to-competitive-intelligence information**: Time between competitive activity and delivery of information to decision-maker

√ **Time-to-'buzz'-awareness**: Time between capturing of consumer information and delivery of information to decision-maker

Fast Fact

Trend analysis from Aberdeen's July 2010 research The 2011 Marketer's Agenda and October 2011 research The Marketing Executive's Agenda for 2012 reveals that companies are continuously increasing their spend on the social channel by 67% year-over-year.

highlighted in Table 1, the recommendations below will help companies build a successful social compliance initiative:

- **Create alerts based on unique events or content.** Using tools to create alerts tied to a unique event or to content captured through the social sphere allows companies to notify the key decision makers within the organization rapidly about events that might impact the company brand. For example, in the case of an oil spill, the ability to detect relevant social media activity, even a simple tweet, and take action goes beyond ensuring governance but can help minimize the impact of a catastrophe on the brand image. Companies with social compliance are more than twice as likely as those without to use these alerts to ensure social compliance.

- **Establish internal processes to track social media activities and direct insights to relevant decision makers.** This will help companies capture relevant customer insights and monitor employee compliance with company policies on the use of social media. Establishing such a process and sharing its results with decision makers responsible for brand management and governance (e.g. CMO and CRO - Chief Risk Officer) helps companies understand clients' perception of their brand, and address threats to their brand image. Data from the *Social Media Marketing, Social Selling and Social Service* survey shows that 72% of companies with social compliance programs have such an internal process. Many companies plan to take these steps in 2012: 22% of companies using social compliance, and 43% of all others, plan to adopt these measures.

- **Define internal experts or specialized staff focused on social media.** Companies with social compliance initiatives are 89% more likely to have identified internal subject matter experts or other go-to staff members focused on social media. Expert personnel can oversee inbound and outbound social media activities, to ensure compliance with the company policy on employees' use of social media, and to detect and identify potential threats to the company brand in a timely manner.

For more information on this or other research topics, please visit www.aberdeen.com

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Related Research	
Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight; January 2012	*Social Media Connecting B2C Companies with Generation Y and Z Consumers*; March 2011
The Business Value of Adapting Web Content for Mobile Devices; January 2012	*Social Media Marketing - Friends, Links, Tweets, Lend Me Your Ears!*; March 2011
The New Mobile Marketing Imperative: Measuring What Matters; October 2011	*Marketing Asset Management: It's More than Just An Image*; November 2010
Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential; September 2011	*Results Speak Louder than Words: Using Marketing to Improve Sales Effectiveness*; December 2010

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