

## **Message to Businesses: Social Media is the New Frontier in Reputation Management**

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Consumer-focused businesses know the value of social media for marketing. User-generated content is grist for the mill of social networks; properly cultivated, it feeds and grows businesses. But the mindset can be different for corporate communications and B2B companies. From their perspective, pursuing a similar marketing strategy through social media is like using an abacus with a broken rod: It just doesn't add up.

But take caution. As traditional media channels decline, social media has become an increasingly important conduit for reaching a business audience. And make no mistake – your stakeholders *are* online and they're talking about your brand, whether you participate or not.

According to Forrester Research, 42 percent of U.S. adults with Internet access maintain a profile on a social networking site, up from 20 percent in 2007. Facebook alone has surpassed the 250 million active-user mark and Twitter has an estimated 40 million users who tweet each day<sup>1</sup>. Let's put this into perspective. Each day, Facebook users become "fans" of a particular company, brand, product or person 3.5 million times. And, there are 1.5 million business searches daily on YouTube, making it the second-most-visited destination for business searches. What does this mean for businesses? Conversation and searches about your brand are already happening, with or without your involvement. And it's not just teenagers. According to a recent report from Forrester, use of social networking by people age 35 to 54 grew 60 percent in the last year.

### **Opportunity Abounds**

Russell Herder and Ethos Business Law recently surveyed senior marketing, management and HR executives. The results found that 72 percent of executives have personally visited social media sites at least weekly to see what customers are saying about their company (52 percent), to monitor a competitor's use of social media (47 percent), to see what employees are saying about the company (36 percent) and to check the background of a prospective employee (25 percent). The same study found that the executives surveyed see the value in social media:

- 81 percent believe it can enhance customer relationships;
- 81 percent agree it can build the company's brand/reputation;
- 64 percent see it as a customer service tool; and
- 46 percent think it can enhance employee morale.

Brand building is the number one reason businesses are using social media<sup>2</sup> and, according to Aberdeen Research, companies using social networking sites are 17 times more likely to improve customer satisfaction than companies that don't. Yet, shockingly, many companies are still not engaged in social media. Eighty-one percent of senior management, marketing and HR executives surveyed see social media as a corporate risk, attributing the major barriers to concerns in employee productivity (51 percent) and damage to a company's reputation (49 percent).

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<sup>1</sup> More marketers use social networking to reach customers, *USA Today*, [http://www.usatoday.com/tech/news/2009-08-27-social-networks-marketers\\_N.htm](http://www.usatoday.com/tech/news/2009-08-27-social-networks-marketers_N.htm)

<sup>2</sup> Social Media: Embracing the Opportunities, Averting the Risks, a research study presented by Russell herder and Ethos Business Law, <http://www.russellherder.com/SocialMediaResearch/>

## **Mitigate the Risk**

Rather than focus on the potential loss of productivity or decline in corporate reputation, companies should focus on the opportunity. But only one-third of companies have a formal social media policy in place, and just 10 percent of companies have conducted employee training on social media.<sup>3</sup>

While social media may be the new frontier for businesses, it is not the Wild West. There are rules of the road that, when correctly followed, mitigate a company's risk. According to the Russell Herder/Ethos Business Law survey, the number one reason business executives are not using social media on a corporate basis is they simply don't know enough about it. Worse still, a mere 13 percent of executives have included social media in their organization's crisis communications plan. In the event of a crisis, companies must be ready to immediately respond to media and employees, as well as track the social media sphere to quickly and effectively prepare responses.

### **So, where do companies get started?**

Engaging in a business environment looks dramatically different than engaging in a consumer one. For example, simply monitoring the conversation or using a particular vehicle to reach employees may be all a company needs to do in the short term. Don't expect to dive into the deep-end of the social media pool and emerge successful. First, take a look at your communications objectives and identify where social media would best help meet those objectives. For example, are you trying to position a company executive as a subject matter expert on a particular topic? If so, in addition to traditional media interviews, why not incorporate a podcast series into the executive's speeches and post them in the pressroom? Are you trying to interface more with your customers? Then consider starting a Twitter account for that purpose.

The best rule of thumb to follow is to first find where your target audience(s) is already gathered and talking online. Search for your beat reporters who might be blogging or using Twitter and track their conversations, or survey employees to identify how many are already engaged in social media on a personal level and may be interested in engaging on behalf of the company. Most importantly, take the time to first find and listen to your stakeholders before you engage.

Companies – of any size – should take advantage of the opportunities social media offers, as well as use the new channels as yet another way to mitigate risk. Ultimately, business needs to focus on what it can gain by incorporating social media across the communications function. If properly considered, the stakeholder engagement facilitated by social media will pay dividends for years to come.

For more information, please contact [Marisa Puthoff](#).

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<sup>3</sup> Social Media: Embracing the Opportunities, Averting the Risks, a research study presented by Russell herder and Ethos Business Law, <http://www.russellherder.com/SocialMediaResearch/>