



# Social media:

**is your organisation prepared to handle this double-edged sword?**

## #RiskMatters

Social media platforms are invaluable for engaging with key stakeholders – customers, shareholders, investors, media, etc. And given the increasingly inter-connected nature of our world, control over brand messaging has shifted from organisations to social media users shaping brand image.

The power and impact that social media can wield is evident. Despite that, social media risks are often not evaluated and addressed by organisations as a key risk. Organisations either aren't fully aware of the risks posed by social media or are not adopting adequate measures to mitigate these.

**In 2018, SEC looked into CEOs' communications and board oversight around social media communications. Citing an example, a leading electric car company was imposed penalties worth \$40 million on a tweet over change in company's status to private. Additionally, it required the company to make changes to the board and establish a new board committee for better governance and oversight.**

### Some questions to be asked?

#### Threat Assessment:

Do we have vulnerabilities in our social media presence that can be exploited?

Is the board well equipped to oversee social media risks?

Are social media platforms being tracked for negative publicity? How do we respond to criticisms?

Is there a designated position in our organisation to manage social media risks?

Are we well prepared to manage a crisis?

#### Communication Strategy:

Are we demonstrating our core values across social media? Do our actions on social media live up to our brand promise?

Have we developed and communicated the appropriate social media policies to our employees? Are all executives subject to the same policies?

In the investor relations domain, what constitutes apt social media usage? Is the company's use of social media compliant with all existing regulations?

#### Opportunity Assessment:

Are we leveraging social media to connect with customers, open new markets and recruit top talent?

Which tools are we using to monitor conversations about the brand? Are we using such insights to update our strategy and mitigate risk?

How are competitors utilising social media? What are the key takeaways?

## Key aspects to consider

### Key social media risks



Social media governance comprises defined business processes to manage risks posed by social media and establish rules which govern employee conduct with an objective to maintain brand reputation across all channels. Companies could consider below mentioned broad components in its governance framework:

- **Social media risk assessment:** The assessment and documentation of risks a company faces and the measures in place to prevent/mitigate them. It outlines a list of threats, vulnerabilities they exploit, potential severity of their impact, likelihood of occurrence and systems and controls put in place to address them.
- **Social media risk management structure:** Roles and responsibilities, approval processes, escalation scenarios and protocols.
- **Policy for managing social media risk -** Document intended for social media use for each user category/department and guidelines on use of each social media platform.
- **Crisis management plan:** A well thought out multidisciplinary 'Digital Response Team' to ensure a prompt response to issues as they surface.
- **Standardise scripts and templates:** Define standard scripts and templates across all customer touchpoints. All internal and external

communications must be consistent and strongly reinforce the brand's core values.

- **Effective social media monitoring processes:** Be proficient in monitoring its messages on a real time basis and identifying regulatory, business and brand risks, using new technologies. Short response time should be targeted with communication in line with standard brand guidelines.
- **Auditing controls around social media:** Review performance based on key metrics, identify and eliminate process violations.
- **Training and education:** Formulate training sessions and provide resources to create a more risk-aware culture and assist employees to respond to customers.



While there are a plethora of social media risks, the biggest one is failing to capitalise on the opportunities it presents. Considering that your target audience is on social media, companies therefore need to develop controls to enable themselves to effectively operate in that space. The online media is where key stakeholders are making critical decisions. It's risky to be absent from discussions that have an impact on your market.

*A good example of how social media can be used as an opportunity is that of a leading F&B company which took a step further in taking its social media campaigns to the next level. The company leveraged technology and AI to create a hyper-personalised social media ad which featured thousands of local retailers across India, to promote their products locally and help them during the tough pandemic times. The campaign gained wide publicity and was a significant success.*

*The company had also launched a campaign under which they donated a part of the earnings from the newly introduced 'Thank you' chocolate bars for the benefit of daily wagers. This was done to recognize work done by frontline workers during difficult pandemic times.*

- **Connect with the most influential social media voices**

Organisations must figure out who influences business expectations and what it takes to develop positive working relationships with them.

- **Improve customer experience by converting a disgruntled buyer into a loyal customer**

Every negative comment marks the beginning of a conversation. It benefits a brand considerably if it is well responded and promptly resolved.

- **Enhance your monitoring processes to catch early warning signs**

Pick on warnings that can alert the organisation to potential problems before they surface or become huge.

It is essential for leadership to understand these nuances and devise a well-defined strategy around the use of social media. They also need to develop a strong knowhow of the social media and communication landscape to maintain a robust oversight.

### Does your company have a strategy to capitalise on the benefits of social media?

- **Build a community for promoting effective direct communication**

Social Media is a platform that allows businesses to circumvent conventional media and send messages precisely. This is useful in cases where there is a lot of misinformation in the industry, given that the business has a fair number of followers.



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