

How to Effectively Do Social Media in Regulated Industries

By Jared Roy and Brant Skogrand, APR, MBC

Because social media moves at the speed of a tweet, it can be downright difficult for organizations in regulated industries such as financial services or healthcare to participate effectively. With some planning and incremental steps, though, successfully participating in social media can be a clear reality and success.

Listen to What the People Say

The best way to start getting involved in social media is to listen to conversations. No rules or regulations can be violated by listening to public conversations occurring on social networks.

“We listen to publically available conversations on Twitter, LinkedIn and other platforms to understand what people are saying about financial topics,” says Ed Terpening, vice president of social media at Wells Fargo. “It’s like we have this huge, free focus group. There are hundreds of conversations out there.”

Listening can provide insight into how people interact on the various social media platforms as well as trends of topics.

To prepare for your organization’s social media, organize the trends into two buckets, with preparations made for a third. The first bucket will include conversations that you deal with on a daily basis from reporters, analysts and other influential groups. The second bucket will include conversations that, as a regulated industry, you don’t want to touch, but need to monitor. The third bucket will be for addressing crisis situations and monitoring the effects and how far and wide they spread online. Ideally, the third bucket should be – and stay – empty.

Considering the amount of oversight in regulated industries, internal collaboration is important in order to move beyond just listening.

Develop Cross-Organizational Support

When Thrivent Financial for Lutherans looked to expand its social media presence beyond the organization’s proprietary Lutherans Online, a team that included representatives from across the organization was first created, according to Social Media Relationship Manager Stacy Eckes-Borys. Departments represented included legal, compliance, communications, information technology and Web strategy.

“We took a long hard look at regulatory requirements and retention, which are important factors,” says Eckes-Borys. “We consulted with outside counsel and other financial services organizations already in the space.”

To get the appropriate people on board, it helps to have an executive level supporter or champion. At Wells Fargo, that champion was Sylvia Reynolds, the company’s chief marketing officer.

For Stephen Baird, attorney and chair of the intellectual property group at law firm Winthrop & Weinstine, the firm’s marketing director was instrumental in outlining the benefits of launching a blog. As a result, the firm’s Duets Blog had support since its March 2009 launch and has since been listed as one of the top 100 branding blogs.

Education can play a key role in bringing people on board.

“Depending on the generation of the person in the organization, there can be a generational gap on understanding the benefits of social media and convincing those that didn’t grow up with it that it’s not a complete waste of time,” says Baird.

Going over statistics related to social media sites, such as the number of users on Facebook, the number of tweets on Twitter, or how many mentions your organization has on blogs and forums, can help executives become more comfortable with the importance of having a social media presence.

In addition, reassurance that content will still be reviewed and the development of a social media policy also is important.

“Part of getting buy-in is helping management to understand that it’s an extension of other things that you are doing, not some end-all, be-all,” says J.C. Huggins, manager of Web marketing for BlueCross BlueShield of South Carolina. “It’s another channel distribution for releases and event promotion.”

At Wells Fargo, the existing legal and compliance approval process was accelerated in order to accommodate the speed of social media dialogue.

Engage with a Full Blessing and Share Results

Once all the appropriate pieces are in place, it’s time to engage. Social media can provide value to an organization in many different ways, from customer insights to customer service to PR to marketing.

“Right now, here at Thrivent Financial, we are leveraging social media tools for supporting our corporate strategies, listening to members, engaging in dialogue with members and prospects, trying to encourage community among members, and hopefully energizing them to be advocates for our organization,” says Eckes-Borys.

In addition to the most popular social media tools like Twitter, Facebook, YouTube and blogs, some organizations are participating in offline social media activities as well. For instance, Wells Fargo participates in meetups with bloggers and has bloggers come to its conferences.

When it comes to responding to comments, preparation – and those buckets described earlier – will help. Having approved key messages ahead of time will aid quick responses to social media comments.

“Social media is more of a casual dialogue,” says Huggins. “In regulated industries, most companies take a more measured response, move slowly and the response is formal. That is antithetical to social media. It feels very out of place.”

There are numerous items to consider when engaging in social media. For instance, once a company establishes a social media presence, consumers expect the organization to participate in the dialogue and respond. It is expected that responses come quickly. And, probably most challenging to executives in regulated industries, is the fact that the company does not have control of the social media conversations.

“We’re a guest on Facebook. We’re a guest on Twitter,” says Terpening. “We have to be ready for any conversation. When you agree to a social contract, it’s not just on your terms.”

The results can make it very worthwhile. Baird says that his firm’s social media presence has generated business and reinforced existing client relationships.

At Thrivent Financial, the primary benefits have included member feedback, dialogues and interactions with members and prospects.

Social media has allowed Wells Fargo to serve its customers 24 hours a day, seven days a week while also reaching niche audiences, such as students who want to finance their education.

But measuring the success of social media efforts involves more than looking at numbers. While looking at the number of fans on Facebook or number of followers on Twitter can be helpful, those are not the most meaningful measures of success.

Measurements to consider using include: consumer sentiment, engagement (comments and feedback), and development of new business relationships or the expansion of current ones. More importantly, make sure you are tracking your social media outreach via analytics.

Through listening, planning and appropriate engagement, participation in social media can be a reality for companies in regulated industries and provide many rewards.

Jared Roy is president of integration at Risdall McKinney Public Relations, an integrated public relations firm located in Minneapolis/St. Paul. Brant Skogrand, APR, MBC, is an independent public relations practitioner. E-mail Roy at jared@risdall.com and Skogrand at brant@skograndstudios.com. Web site: www.risdallmckinneypr.com.

SIDEBAR: Tips on engaging in social media in regulated industries

- 1. Start by listening.** Listening to social media conversations does not break any rules or regulations, and provides insight into trends of topics.
- 2. Develop cross-organizational support.** Obtaining buy-in from departments ranging from legal to compliance to IT can smooth the road to social media engagement.
- 3. Prepare key messages ahead of time.** Just as in the preparation of talking points for traditional media, having key messages approved in anticipation of specific topics will allow quick social media responses.
- 4. Develop accelerated approval times.** Social media moves at the speed of a tweet, yet content needs to go through appropriate approvals – just faster.
- 5. Train your organization.** From executives to day-to-day contributors, provide an education on the importance and intricacies of social media.
- 6. Remember that social media is a casual dialogue.** Stilted language is out of place in social media. To comply with regulatory language requirements, consider linking to disclosures from tweets.
- 7. Move beyond numbers in measurement.** Numbers can provide some insight, but more meaningful indicators of success include consumer sentiment, engagement (comments and feedback), and development of new business relationships or the expansion of current ones.
- 8. Develop a social media policy.** Having a policy in place that includes the dos and don'ts of participation will make all stakeholders more comfortable. For instance, The Financial Industry Regulatory Authority requires that firms keep records of all communications on social media sites by their registered representatives and that those who participate in social media are properly trained and supervised.

And to comply with the Health Insurance Portability and Accountability Act, employees in the medical industry need to be sure not to reveal patient information.

“Speaker” Bios

Jared Roy is president of integration for Risdall McKinney Public Relations. He believes in the power of connecting brands with consumers in new and innovative ways. Jared focuses on developing solutions for clients that harness the power of integrated marketing. Jared holds a bachelor’s degree in marketing from the University of Minnesota and a master’s degree in integrated marketing communications from the University of Colorado.

Brant Skogrand, APR, MBC, is an independent public relations practitioner. He most recently was a vice president at Risdall McKinney Public Relations. At Risdall McKinney Public Relations, his clients included Minnesota’s second largest credit union, a medical pharmacy benefit management company, a society of fraternal benefit societies and more. He has a bachelor’s degree in journalism from the University of Minnesota and a master’s degree in business communication from the University of St. Thomas.