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# HANDLE WITH CARE: social media in corporate communications

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Facebook, Twitter and other Web 2.0 social networking tools are becoming mainstream methods of communication. As their popularity grows, business is using social media to market and communicate to a large audience.

Consumers are providing their own assessment of products via social networking sites, which can have both positive and negative results.

A recent study by enterprise wiki provider **Wetpaint** and the **Altimeter Group** has found that higher social media engagement produces greater financial success for brands, while another report from **RightNow Technologies** found that one in four Australians boycott a product after reading negative comments on social networking sites.

Nestle's recent stumble in the management of its Facebook page exemplifies some of the pitfalls for business of using social media. A number of angry comments misappropriating the Nestle logo were posted on the page, and Nestle's poorly managed response "*welcomed comments*" but prohibited use of an altered Nestle logo. Further outcry from commenters resulted in a sarcastic message from Nestle that read "*Oh please...it's like we're censoring everything to allow only positive comments*". The company later apologised for this message and for deleting the altered logos.

This story illustrates the double edged sword of social media. Business gets extensive infiltration to customers and immediate feedback on products and services – but it provides a stage for the public to complain about your brand.

A communications management plan, formulated prior to engagement with the medium, is one of a number of measures that your organisation can take to successfully participate in the world of social media.

## How Social Media Can Be Used

The two most common social media platforms currently used by companies for external marketing and communication are Facebook and Twitter.

### Facebook

Facebook has over 350 million active users, offering a company incomparable reach and outstanding versatility.

Facebook can be used by an organisation to champion their brand by creating a public page, which Facebook users can search for and join as a 'fan'. Corporate pages must be publicly available and must share all content with all Facebook users. Pages can only be created and maintained by an official representative of an organisation. As a page administrator, you can post information about your brand on the page's wall in the form of messages, photos and videos and you can allow fans to contribute to the page's wall as well. Any activity on the page will appear on the newsfeed of those who are fans of the brand and any activity by fans will show up on the newsfeeds of all the friends of the fan, creating a viral loop. You can also send messages to an unlimited number of fans of the page, alerting them to promotions or new products and services.

### Twitter

Your business can also set up an account on Twitter. Twitter is an effective way to keep your brand in the minds of consumers, encourage two-way communication regarding your products and services, and disseminate small

The logo for 'sainty law' features the word 'sainty' in a large, orange, lowercase, sans-serif font. Below it, the word 'law' is written in a smaller, orange, lowercase, sans-serif font. The 'l' in 'law' is significantly larger than the other letters, extending upwards to touch the bottom of the 's' in 'sainty'.

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amounts of information about your business. Functions like search, *Tweetscan* and *Tweetbeep* allow you to easily monitor your reputation on Twitter. If you enter keywords and URLs related to your organisation on the *Tweetbeep* website, it will send you an email whenever somebody talks about you.

If your company sets up a Twitter account and already has a page on Facebook, Twitter Exporter allows your Facebook Page administrator to automatically syndicate content and the information they publish on Facebook to Twitter without leaving Facebook.com. Updates to your Facebook page are automatically shared with your Twitter followers.

### Risks of Social Media

Where a business chooses to use social media for marketing and communications, it needs to assess the risks of use against the benefits it seeks from the tools. Risks to watch out for include:

- **False, misleading and deceptive statements** about the company, its goods, services or third parties. This applies to company generated content on both Twitter and Facebook, as well as to fan-generated content if it is allowed on the Facebook page. Companies may see social media as a less formal avenue for attracting business or promoting their goods and services. However, it is important to remember that laws relating to misleading and deceptive conduct apply regardless of the media used to promote goods and services. In particular, it is important that you regularly review all of the information posted on the social media site, including fan generated content, to ensure that it is correct and reflects your company's broader policies with respect to external communications, including marketing and advertising.
- **Disclosure of trade secrets and confidential information** about the company's activities or business through loose controls on official messages or responses to posts.
- **Infringement of Intellectual Property** by fans including posting of infringing content, for example videos, pictures and music, or infringing use of others' trademarks.
- **Privacy infringement** personal information posted must be handled in accordance with the relevant privacy legislation, the company's privacy policy and the terms of use of the social media platform, for example there should be no direct marketing activity without the consent of recipients.
- **Keeping corporate records of communications.** Usually social media sites are not part of a company's corporate record systems. Information posted may be needed for reporting or future legal proceedings.
- **Brandjacking, hacking and cyber crime** have become a serious issues on social networking sites in recent years. Businesses should be careful to ensure that they regularly monitor their social media sites for inappropriate or unlawful misuse by others in order that such content can be addressed quickly.

It is also worth noting that information posted on social networking sites may not be solely in the control of your organisation. Social media sites are operated by third parties and depending on their terms of use, they may delete information posted on their sites, or sites may be unavailable for extended periods of time or become subject to pay-walls.

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Further, if companies wish to cease promoting their goods and services via social media, they must take pro-active steps to delete their information. This is in addition to deactivating their accounts as the information may remain available even after deactivation. For instance, original Twitter posts are able to be deleted, but the nature of search engines, and the fact that an innumerable amount of people may have linked to the original post, means that the information may live on long after.

### Risk Management for Social Media

Some strategies to address the risks include:

- **Establish a policy.** To a large extent the risks of using social media can be managed by a comprehensive internal policy on social media. The policy should set out the permitted activity for employees to access, manage and post to the social media site; the applicable industry laws; the steps for monitoring IP infringement by third party posts; and clear consequences for policy violation. Any policy should incorporate your company's brand management strategy.
- **Terms of Use.** It is worth considering incorporating supplementary terms of use or disclaimers applicable to users of your social media. This enables you to take down unacceptable or illegal content and aims to limit your organisation's liability for third party statements (although the effectiveness of these steps remains uncertain law).
- **Privacy compliance** is an important issue. You should be aware of the terms of use and privacy tools available on a third party social media site. You should make sure that any information posted by third parties on such sites is in compliance with relevant State and Federal privacy laws and your internal policies.
- **Intellectual Property.** Steps to protect against intellectual property infringement should be set out in your company's social media policy. As well, your company should ensure they register their brand and other names on both Facebook and Twitter. In the case of Facebook, you can register a domain name in the form of [www.facebook.com/username](http://www.facebook.com/username). However, note that this URL cannot be registered unless the registering company has a presence on Facebook. Companies should sign up for a Twitter account to protect their brand name from being used for unofficial accounts on the site, as well as any variations or nicknames associated with the brand.
- **Record Keeping** of a company's communications on a social media site is important as social media sites are not part of your corporate record systems, and information posted may be needed for reporting or legal proceedings.

Social media provides exciting ways for organisations to communicate with their target markets. However, as with any communication strategy, the framework for using this medium needs to be articulated and deployed with a view of the risks to the organisation and strategies to mitigate the risk.

*Sainty Law offers specialist communications and media legal advice that adds value to its clients' businesses.*

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