

DEVELOPING THE RIGHT SOCIAL MEDIA POLICY FOR YOUR COMPANY

In our last newsletter, we talked about how social shopping has taken over the retail industry by storm. In this follow-up article, we will discuss the importance of developing a comprehensive social media policy for your company.

Nothing can make—or break—a business like word-of-mouth. This is especially important to keep in mind during an era of intense social networking, when people have embraced blogs, Twitter, and Facebook with ferocity and are eager to share their shopping experiences with fellow consumers.

This flurry of online activity begs the question: Are you aware of what people are saying about your business, your brand, or your competition? Developing a corporate social media policy will help protect your brand's equity, your company, and your employees; will educate employees about what is and is not acceptable to say online; and reduce the risk of any potential liability due to misspoken words.

Below are some best practices to help you develop and advance your company's social media policy.

1. Listen to Your Customers (and Staff)

A critical first step to developing a social media policy: Listen to what people are (and conversely, aren't) saying about your business. There are a number of tools that are designed to track how your brand is performing across a wide number of sites, including Nielsen BuzzMetrics and

TNS Cymfony. BrandConnect, another tool, is designed to allow retailers to compare products based on consumer-generated attributes. All of these tools provide a proactive approach to track, analyze, and review comments and ratings from a wide variety of social media sites while helping mitigate the potentially

harmful effects of negative comments or misstatements by enabling management to react to them quickly.

There are also some free brand management tools available that can identify items about your organization embedded within blogs, events, news, videos, and microblogging sites. Social Mention is one such tool, while Nielson Online provides BlogPulse, a trend discovery system for the blogosphere, and Trendpedia, which can track a topic, product, or company's popularity over a three-month period of time.

Don't forget to listen to what your most important asset—your employees—is saying online, too. Unaddressed criticism or rumors—online or offline—is a public relations liability. Responding to issues as soon as negative situations break builds goodwill and emphasizes that you, the company, care about how they feel and are listening to what they have to say.

2. Participate

Social networks not only give your organization a window into the psyche of your customers, they give you the unique opportunity to participate, analyze, refine, respond, and extend your campaigns in real time. The ability for a company to quickly and transparently

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adjust campaigns, quell employee unrest, or address misstatements is a huge competitive advantage that will enhance your company's credibility in the long-term.

Social media efforts are even more effective when combined with a much broader campaign. A well-planned, multi-media campaign can produce great results. For example, American Eagle Outfitters utilizes its fan page on Facebook to create, test, and publicize major promotions. They also use Twitter to offer special promotions and as a means to support marketing campaigns. These tactics have helped American Eagle Outfitters produce better-than-expected sales results and build a legion of grassroots brand advocates nearly 600,000 strong.

3. Innovate

In a difficult economy, successful customer relations can have a huge impact on company success. Social media platforms are the perfect market research tool for

these tough times. They allow companies to connect, learn, innovate, and produce results relatively inexpensively. For example:

- Wet Seal, a leading specialty retailer of fashionable and contemporary apparel and accessory items, with 494 stores in 47 states, has achieved positive results from its inventive online campaign. Wet Seal created two hot features on their site: My Boutique and The Runway. With My Boutique, consumers can create their own outfits and share them with friends. The Runway takes this concept one step further by letting customers post their outfits for the entire Wet Seal Fashion Community to view, rate, comment on, and share. There is even a Wet Seal iRunway application which allows consumers to, among other things, browse thousands of outfits created online and find store locations from their iPhone.

- Apparel retailer American Eagle Outfitters lets online visitors post product directly to their own Facebook or Twitter site or text friends to encourage them to check out products on the site.

By following the first rule of social media—"Don't try to control the conversation!"—both of these retailers have created positive buzz about their companies and their products. They listen to consumers and they provide fresh, relevant content and innovative solutions, and they're creating loyal online brand ambassadors and followers in the process.

As you go through the process of developing a social media stance and policy, it is critical to remember that social media is not a "let's try it out" project—it involves planning and commitment to make it a successful cog in your sales process. Missteps can be very costly to an organization's reputation

and brand. Take the time to develop a social media strategy that listens, connects, and engages your customers and employees. J.H. Cohn's dedicated retail industry specialists can help. As your business partner, we can meet with you to discuss ideas and provide counsel for operating in this exciting new space. Once you are up and running, you'll reap the benefits of a multifaceted, engaging approach both online and off. ■

Richard Schurig, CPA, is a J.H. Cohn partner and director of the Firm's Retail and Consumer Products Industry Practice. He can be reached at rschurig@jhcohn.com or 877-704-3500.

For more information on J.H. Cohn's Retail Industry Practice, [click here.](#)

California

Los Angeles

Good Swartz Brown & Berns,
A Division of J.H. Cohn LLP
11755 Wilshire Boulevard, 17th Floor
Los Angeles, CA 90025
310-477-3722

San Diego

4180 Ruffin Road, Suite 235
San Diego, CA 92123
858-535-2000

Warner Center

Good Swartz Brown & Berns,
A Division of J.H. Cohn LLP
21700 Oxnard Street, 7th Floor
Woodland Hills, CA 91367
818-205-2600

Cayman Islands

P.O. Box 1748 GT
27 Hospital Road
George Town, Grand Cayman
877-704-3500 x7839

Connecticut

Glastonbury

180 Glastonbury Blvd.
Glastonbury, CT 06033
860-633-3000

New Jersey

Roseland

4 Becker Farm Road
Roseland, NJ 07068
973-228-3500

Eatontown

27 Christopher Way
Eatontown, NJ 07724
732-578-0700

Lawrenceville

997 Lenox Drive
Lawrenceville, NJ 08648
609-896-1221

Metro Park

333 Thornall Street
Edison, NJ 08837
732-549-0700

New York

Manhattan

1212 Avenue of the Americas
Suite 1200
New York, NY 10036
212-297-0400

Charles Brucia & Co.,
A Division of J.H. Cohn LLP
1212 Avenue of the Americas
New York, NY 10036
212-682-2459

Frederic Kantor & Company,
A Division of J.H. Cohn LLP
1212 Avenue of the Americas
New York, NY 10036
212-727-2300

Long Island

100 Jericho Quadrangle
Suite 223
Jericho, NY 11753
516-482-4200

White Plains

1311 Mamaroneck Avenue
White Plains, NY 10605
914-684-2700

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877-704-3500
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