



Making Social Media in Regulated Industries More Social

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Social media is one of the widest reaching ways to communicate with the public. According to research from the Pew Internet Project¹, 73% of US adults use social networking sites on a regular basis. This is a significant audience that almost any company selling to the public wants to reach. But companies in regulated industries such as healthcare, pharmaceuticals, and financial industries have specific regulatory burdens that make it more difficult for them to participate. The real-time nature of social networks, the lack of control of third-party platforms, and the need to control message and delivery work against regulated companies who want a robust social presence.

In the pharmaceutical industry, the FDA has only given draft guidelines². Additionally, there are requirements on all companies to submit promotional labeling and advertising pieces to the agency — quite the challenge when the online world moves at the speed of a keyboard. The new guidance may help with this, but there are still requirements for collection of conversations on social networks. Additionally, consumers who report “adverse events” must be contacted, and the **company must report the incident to the FDA**³. A public tweet or post mentioning a brand as simple as “I have a terrible headache, I’m going to take 3 of my @brand pill instead of 2” could obligate the company to try to track down that user, or document their inability to do so. “In the pharmaceutical industry, we’ve seen mostly product-focused social media channels that have limited customer interactions, with a few ‘health issue’ channels that don’t include products or mentions,” says Dawn Lacallade, VP Account Services of LiveWorld.

A financial company has record-keeping requirements for what they put out, and must ensure the suitability of the communication; not every offer can be made to every investor. Most social platforms won’t allow that level of fine-grained targeting. Additionally, some communication must be performed on networks and computers you own, to protect customer privacy. Hospitals and other healthcare arms can’t take specific patient questions via social, and they certainly would violate patient privacy rules by conversing about billing issues in a public social channel.

Most regulated companies use social media as a one-way channel, cautious of what might come back to them. Lacallade continues, “It starts with fear, uncertainty, and doubt. The highly regulated industries are on the line for a much higher level of accountability for what they say than

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*VP of Account Services
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other brands. Other companies might worry about a social crisis; some of these folks could worry about going to jail.” Lacallade also notes the lack of comparable companies and examples in the regulated space. Most of the highly publicized examples of social media interaction are from companies that can be more public about their stories. Oreo may be able to tweet in real-time from the Superbowl (with a team including lawyers in the room), but some of the regulated companies struggle to respond in a several-day timeframe. No wonder they’re a bit cautious.

How can companies like these become more social while still respecting the regulatory framework under which they must operate? What key lessons can social champions inside regulated companies learn to help them bring the right people into the conversation? A regulated company can be more connected, but it takes time, effort, and a team from many areas of the company to accomplish it successfully. Here are top tips to make your social media efforts more social while staying out of regulatory and legal trouble.

¹ <http://www.pewinternet.org/Commentary/2012/March/Pew-Internet-Social-Networking-full-detail.aspx>

² <http://www.fda.gov/downloads/Drugs/GuidanceComplianceRegulatoryInformation/Guidances/UCM381352.pdf>

³ <http://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfCFR/CFRSearch.cfm?fr=314.80>

How To Start the Social Movement

1. Start with a Team

In many regulated companies, the conversation about social is already happening from the C-Suite to the marketing team. According to research by law firm Grant Thornton, over 68% of senior-level financial executives believe social media will be “important” or “critical” for company efforts going forward⁴.

Regardless of where the conversation starts, it has to stop with a team or person that’s responsible for the initial social efforts. There are many skill sets required for the team, but the number-one characteristic is collaboration. “No individual or team can be responsible for something as multi-dimensional as social media,” says Paul Matsen, chief marketing and communications officer at the Cleveland Clinic. “Finding people who were willing to collaborate was critical. We wanted to make sure different parts of the organization weren’t going down different pathways, so collaboration was critical, as was creativity. We were also looking for social media natives. It was easy to find people to raise their hands and pitch in, who already had a passion for social media. They were great champions for the effort and helped us communicate and evangelize the effort across the organization.”

Additionally, look for people who are passionate and customer driven, says Frank Eliason, Director of Global Social Media at Citi. “It’s important to find someone

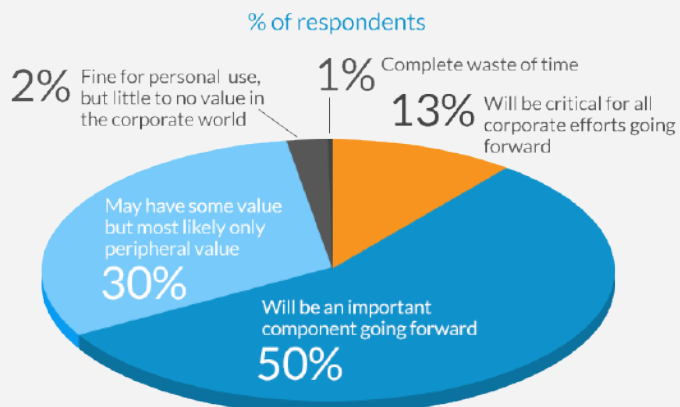
who has a deep understanding of social media and of the organization itself. In social, you’re one brand, not one silo. You have to be able to connect the dots, and know how a discussion over here impacts the brand as well as the specific area. You have to be able to get that information to the right people, and have a conversation about what it means and how it should be addressed.”



Senior-Level financial executives who believe social media will be “important” or “critical” for company efforts going forward.

⁴<http://www.grantthornton.com/~media/content-page-files/advisory/pdfs/2013/ADV-social-media-survey.ashx>

Corporate Value of Social Media According to US Senior-Level Financial Executives, June 2013



Note: numbers may not add up to 100% due to rounding
Source: Grant Thornton, “Social Media Risks & Rewards” 09/25/2013

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2. Creating the Social Committee

Once your internal champion is in place, that person needs to use her skills to gather up an extended team. Legal, regulatory, customer experience, and various communications professionals will all have to be a part of the extended effort. Whether the champion is working on her own or partnering with an outside firm to set up the social efforts, there are a lot of conversations that must happen long before anyone posts on Facebook. If you're not sure who needs to be in the room, Kathleen Farber, Moderation Manager at LiveWorld, recommends creating a social plan for a new regulated pharmaceutical client. "First we'd look at the moderation guidelines

we've created and revised over the years. Then we'd look at product claims, and what the risks are with the product. Then we'd look at the team who approves digital promotions. Who looks at TV ads? What you do in a company to get a TV ad approved is a very similar process, and that helps us see the players or groups that would need to be on our team going forward. PR gets involved with the messaging, legal talks about the trademark issues, medical decides on claims with regulatory. These are the players in general — then we find out who specifically works with this brand, and that's how we create a team."

"Every brand has fans as well as detractors, but customers are often surprised at negativity. And there is a steep learning curve for internal teams."

BRIANT LASLO

Moderation Manager, LiveWorld

3. Start Small and Set Realistic Goals

Think about the business and marketing goals for your social effort — then go smaller. In many marketing teams, the idea may be to dream big, but when you're in a regulated industry, small steps are critical. The initial presence and interactions you create will help acclimate the legal and regulatory teams to the way social communications happen. As Liveworld Moderation Manager Briant Laslo notes, "There's no way to control the Internet. Every brand has fans as well as detractors, but customers are often surprised at negativity. And there's often a steep learning curve for internal teams about volume and variety of interactions."

For one Liveworld client, every tweet, post, and response was pre-screened by legal for two years. Just a few months ago the team received agreement that, for non-product claims discussions, just being conversational, the moderators can now respond

directly. It can take time for legal and regulatory to get comfortable with what the social team is doing, and the time scale is highly dependent on the company culture.

Dawn Lacallade notes, "One of the biggest challenges is natural interaction. People can't engage as easily with a regulated brand as a B2C brand. Free-flow comment responses are a huge risk for the regulated company. All it takes is someone who doesn't understand regulatory requirement for giving disclaimers about a product, or for reporting adverse events. If we have one moderator who doesn't do that, we can cross a line. Free-flowing interaction takes time for a regulated company to get to that level. Some practitioners from our industry would be overanxious to be able to talk to customers; you have to go through levels where you're doing it partially well, to get the team comfortable."



Moving to the next phase

It's a critical distinction to understand that your regulated brand can't communicate the same way as Walmart, Pepsi, Ford, or Oreos. Many in the social media area idolize the top social communicators and look to them for case studies. But a bank company can't look at Oreo and say they want to be like them. Marketers look at their regulated competitors and they don't see a benchmark, so they try to compare themselves to non-regulated brands. "It's a shiny

object syndrome," says Lacallade. "A company will say they saw someone else doing something cool and wanted it too. The concept of following others doesn't mean it's being done well. The really strong social companies are so far removed from regulation that the examples are not relevant." Keep the expectations of communications ability realistic, and seek out expertise in regulated industry communications for comparable plans.

Comparing Regulated and Non-Regulated Companies Is Like Comparing Apples and Oranges

4. Talking Like a Human Being

Social media lesson #1 is typically "talk to people like a person." But regulated companies are often tied to a corporate tone and voice that is conservative, reserved, and filtered through the keyboards of non-marketers. Legal and regulatory are great at what they do, but they are typically not as deft with a turn-of-phrase as a member of the marketing team. Communications that go through reviews often come back without a 'spark' — sounding like a machine and not a person. Moderation managers have seen committees make wording changes to make text more formal, not for legal or regulatory reasons, but based on their comfort level with language. It is fair to have a respectful disagreement to ensure that the communications use the approved tone and voice and still sound less formal than a press release.

Eliason states, "There are industry-specific tools out there for social media compliance. My personal view is that social media will eventually allow the communication to be

'human to human' instead of 'business to human.' It will be about your employees and how they're empowered. The tools let employees be out in social media, but make sure they don't do things they're not supposed to. But there are also challenges to current tools. Lots of B2B stuff happens on LinkedIn for example. It's how people get introduced, find new clients, and more. The challenge to the compliance solution is that the company gets full access to the employee's personal profile. That person might not want the company to see that a recruiter just wrote to them." In the investment business, customer communications need to be retained for up to seven years. Companies have to think about the employee experience with tools as well, or the employees won't use the tools, exposing the company to liability for non-compliance. There are new challenges from all sides, including communicating with customers like humans, and being more human and transparent with employees as well.

Moving to the next phase

5. Specificity Not Allowed

People go on social media sites like Facebook to get answers to questions that are relevant and pressing to them. But regulated companies can't always provide simple answers. In the medical field, healthcare companies can't give advice regarding symptoms or problems. The best they can do is point you to articles about conditions you've mentioned and direct you to your own physician. Financial companies can't give financial advice without knowing confidential info, which they don't want to have published on social media. A food brand you can give recipes and suggestions on how to use them. A brand like animal health company Zoetis gathers generic questions about specific animal types, and will post things about them. For example, they may post a general comment about horse tooth care. But if someone posts about a horse with an infected tooth, the person will be directed to see a veterinarian for specific advice.

6. Knowing What Might Break the Rules

One way to stay out of trouble is to be clear about what would break the rules. According to Kathleen Farber, Moderation Manager at Liveworld, "We work to help limit a company's risks on social media. We have a process for everything we do. There are global documents that tell each brand how they can set up online. We create the monthly calendars, and what's considered 'fast track' that can be quickly posted without pre-approval. If it has brand claims, we have an approval process. We [Liveworld Moderation Services] have integrated ourselves very deeply into the client internal processes. We touch legal, regulatory, brand, customer engagement, PR, and corporate communications. We see things from a different perspective."

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Taking the time to create processes and clarify expectations long before getting online can firmly shape the communications so no one runs afoul of rules and regulations. Farber continues, "When new brands from a company come online, we share prior experience about rules and regulations that are beneficial to them. They have to go through the same processes, and we guide them past what isn't going to work or meet internal requirements. You have to understand what the social restrictions are for that industry — you can't build a program unless you know the restrictions."

Moving to the next phase

7. Have a Response Plan

Every company going online should understand the “hot button issues” for their customers and the ones that will trigger regulatory scrutiny. No food company wants the word “poison” anywhere near their page. No drug company wants to invite customers to describe their specific experiences with the product on a public form — not because they don’t care, but because of the way the regulations limit the communication channels. Every company should have a set of pre-screened responses for high-risk topics. For example, an animal medicine company needs to have responses related to any animal protest group, even if the company isn’t involved in the activities the group protests. The social champion should contact PR, corporate communications and customer service managers for a list of these topics. Moderation Manager Briant Laslo remembers the challenge when one bank opened up their page. The room was full of legal,

regulatory, and banking types, but lacking someone familiar with social media. “There was a steep learning curve for the internal folks; they didn’t expect that they would get negative posts on their pages. They didn’t expect people looking for answers in real time.”

“Our goal with difficult issues is to respond and acknowledge the poster’s issue within the community, whether it’s Facebook or Twitter, and then invite that individual into a dialog with us offline,” says Paul Matsen, chief marketing and communications officer at Cleveland Clinic. “We put them into direct connection with our ombudsman’s group for customer care, or our patient financial services group if it is a finance question. Or, if they’re looking for a medical referral for a difficult case, we address that offline as well, getting them to the medical group.”

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8. Platform Challenges

Many emerging social channels don’t have appropriate moderation components. For example, Pinterest doesn’t allow a brand to hide or delete comments or to directly message a user — all things required to moderate a highly regulated brand’s page. Tweets in Twitter belong to the user, even if they mention a brand in the message. Lacallade says that for companies on Twitter, “Much of the thinking in legal is that it is what you do on the space you own that’s important — your feed. You’re not going to control what people do on their own spaces. If a user @mentions or mentions a product name we need to act, and have a plan to react, but we can’t remove things. On Instagram or Pinterest with a branded location, having a branded page requires a level of moderation tools that allow required communication. If a pharmaceutical brand has a user report an adverse effect, the company must respond with, ‘Here’s the reporting number, if you can please contact us within 24 hours, we’d like to learn more.’ But we don’t have a way to communicate that on some of these new channels. We’re not able to be cutting edge because the back end tools are afterthoughts. Even search on newer platforms can be bad. If you’re removing customer posts, you can have a process for documenting that a post was previously there. We’ll post a comment that we have to remove it, screen shot it, put a note on it and archive it for compliance reasons.”

Moving to the Next Phase

All of the above tips are great, but they are predicated on knowing how to interact with the public in a measured and controlled way. According to Liveworld's VP of Moderation Services Bruce Dembecki, many regulated industries require all communications to be kept. If you delete a comment from a Facebook page, it is gone. But having software that monitors and records the actions and keeps the content stored even when publically deleted may help a company comply with regulation.

Additionally, if you're getting thousands of comments a day, and a fan goes back and posts in a thread that's three months old, a person who's manually moderating could miss it. Being able to moderate with sophisticated tools ensures you'll see the post and be able to respond. "For a regulated industry, you can't have someone monitoring your presences part-time," says Dembecki. "You need an appropriate level of monitoring, more than business hours only, and with an eye to the issues important to your regulated point of view." As previously noted, if a customer of a pharmaceutical brand reports an adverse event, the company must report it within 24 hours. Part-time moderation could miss such a comment.

Know your Regulators

"Don't be fearful of the regulators. You have to partner with them," says Frank Eliason, Director of Global Social Media at Citi. "The world is changing for them as well. You can provide them feedback, and have open discussions. Often there's expertise inside your own organization you can share, and maybe reasonable solutions come up." Eliason also advises social media champions to partner with their internal legal, compliance, and fraud groups. "For example, in the US, the Consumer Financial Protection Bureau is using social listening to find out what's being said about banks and brands. This info is all public, so a key aspect to any social media profile or effort within an organization that is regulated, any industry, is to start with listening and understand what's being said and where." The regulators see the same things the company sees, so helping your internal compliance and legal teams to understand the social media intricacies, as well as how the external conversations affect the brand, is critical to coming up with solutions that fit the situation.

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FRANK ELIASON

Director of Global Social Media Citi

Cleveland Clinic Creates a Health Hub With Social Media

Cleveland Clinic's CEO was inspired by the 2008 Obama campaign to jump on the social media bandwagon. In 2009, the organization did a lot of work on its branding and website. Then the CEO came back from the World Economic Forum and charged his team to move ahead. Paul Matsen, chief marketing and communications officer, recalls that the company created a steering committee, formed cross-functional teams, created benchmarks and a business plan, and had their initial presences on Facebook, Twitter, and YouTube up within 60 days — in a minimal way. “The team included marketing, corporate communications, service line marketing group members who work with clinicians, digital marketing, physicians, education division, legal, HR — a very diverse group.”

Collaboration was key to getting everyone on board, and keeping different parts of the organization from starting their own sites or going down different paths. To be successful, Matsen says, their efforts had to go beyond marketing and communications. “You have to engage the whole organization, whether that’s creating a responsible social media policy, creating strategy, but most importantly engaging the organization to help with the creation of content.” He stresses that content can’t be about the organization — they strive to build content that’s helpful to people. “Test and invest — try multiple pilots...we’ve shaped our content around what users told us they wanted via surveys.”

Cleveland Clinic has organized this content into a “Health Hub,” which is literally the hub for the social media ecosystem. Most of the content shared on their social presences gives some basic information and graphics, and

links back to this hub. They started with a few specialists such as the heart center, and over the past year have added diabetes and cancer educators and more. “The Hub

became the centerpiece of our strategy. It gave us a place to integrate our ecosystem.” In the

past twelve months, the team has noticed the growth of mobile. Over 70% of traffic to the Health Hub is from mobile devices, so creating a responsive design that adapts for smaller screens is essential.

Content is vetted in editorial meetings, and the team builds a content calendar for the year, while still being nimble enough to capitalize on breaking news and events.

Editorial managers work with various clinical specialists to ensure the content is properly reviewed.

The site meets the “Health On the Net” HONor standards for reliability of medical information.

The organization is bound by HIPAA rules to keep patient information confidential. When they have social media interactions, they respond and acknowledge user concerns, and quickly try to direct them to patient care or financial care groups that can handle the questions while respecting privacy. The team has been able to respond in close-to-real time on questions or even for patients tweeting that a doctor is late. According to Joseph Milicia, senior public relations manager at Cleveland Clinic, “If we’re responding quickly, that says a lot to the person on the other end. Just seeing the response alone is a huge help to show that there’s someone paying attention and willing to help out. Just the outreach sends an important message.” The social team has very tight connections to the financial and patient services groups to help facilitate getting questions to the right area quickly.



Key Takeaways

Don't sell your organization; provide great content.

Respond quickly and get the user to the right place.

Create a collaborative environment, and get everyone on board quickly. Find social media natives to join the effort.

Leverage all your experts for content creation.

Citi Changes the Mortgage Conversation online

There are many different aspects of the financial industry, including consumer banking, investment banking, mortgages, equities, and foreign exchange. Each area has different regulatory bodies, regulations, and laws. Citi has global hurdles when it comes to social media and customer service. “The regulations vary dramatically around the globe,” says Frank Eliason, Director of Global Social Media. “They’re different regarding what information you can take, what you can keep, what you can do with it. In the European Union, there are a lot of privacy regulations that you have to be careful about. If you’re responding to someone, are you declaring him a customer? You’re not allowed to do that in the banking business. And in social, you don’t always know where the customer is. They feel they’re a Citi customer, not a customer of Citi US or Citi Poland. And you have to understand the laws and regulations even if they’re not applicable in your area. The US and EU laws are very different and you have to distinguish between them.” Eliason notes that when you respond to a customer, you base it on what the customer did first. If they declare themselves a customer, that will determine the response and the interactions.

Two years ago, one of the most challenging areas was mortgages. People were losing homes, and the online conversation wasn’t positive for service providers. Citi found that when people were struggling, one of the last entities they called was the mortgage provider — often when it was too late. The company had to come up with ways to encourage people to talk to them so they could share information about programs to help them keep their homes. Additionally, there were more ways to help those for whom foreclosure was the only option.

“We developed an extensive program, starting with a social

media site with forums. We studied and listened first, and found that people were using social to get assistance about what to do — but not from Twitter or Facebook. They were going to more anonymous sources, which were, unfortunately, often sources of bad or inaccurate information. (There were some good sources as well.) And there were scammers writing back offering to modify loans, but instead people lost money. We wanted to help them and give them a means to have conversations.

“We started a site called ‘HomeownerSupport.com’ with forums and blogs,” Eliason continues. “I’m not going to tell you it’s the most active place, but it was meant to be a place to start opening the door. Between that and partnerships with LoanSafe and other forums, we’re allowing the conversation to open the door so they would talk with us. There was also an offline component, where we went around to cities with nonprofit groups to help as well. By partnering with them, we increased trust that they could get help. The program has been around for two years now, and during that time, it’s driven \$350MM of unpaid principal balance holders to get assistance based on the online site interaction. It’s helped a similar amount via the in-person nonprofit group visits. The online site didn’t cost much, but the in-person events cost a lot, and both drove about the same amount of support.” Another result was that the mortgage and foreclosure conversation online changed, and Citi’s name dropped out, replaced by other banks. They found that being available in different ways changed the dialog and built trust.

“If you think through your challenges, it comes down to how you talk about things, and what you do. If customers prefer anonymous conversations, provide the place and give them the ability to talk, even if you don’t like the conversation.”



Key Takeaways

Think and act globally — you may be subject to different regulations in different jurisdictions, but the customers can come from anywhere.

Sometimes customers need to have difficult conversations amongst themselves. It is better to provide them a place for that interaction than to miss out on the conversation.



Conclusion

In many regulated industries, the online conversation with customers is just getting started. Those championing the use of social media inside these organizations must hire the right people for their teams – those with experience in the business and enthusiasm for change and ambiguity. It's important not to compare progress with non-regulated organizations, and to take small steps. Bring everyone along on the journey. The internal compliance, regulatory, communications, and legal teams all need a seat at the table for your efforts to succeed.

Even though regulated firms must “watch their step” in what they say and do, they must still talk like human beings. Customers don't care that a company is restricted – they want answers to their questions, often violating their own right to privacy when they ask questions in public forums.

Regulated companies can't afford to be social media platform pioneers. New networks often lack the moderation tools and record-keeping ability to satisfy the needs of regulators. Before going live, know what the full set of relevant business rules and regulations are, and how your team will respect them. Professional moderation services can be a bridge, sharing industry best practices gleaned from working with multiple companies in the field. And finally, don't forget the regulators. Rather than treating them as a roadblock, use your outreach as an opening to conversation with them. Your experiences and customer feedback can influence the direction regulation will take in the future. “It's okay to engage your users,” says Liveworld's Dembecki. “The regulations are there to make you careful, but not to stop you from communicating.”

About the Author

Howard Greenstein is a marketing technology strategist and President of the Harbrooke Group, which specializes in helping companies communicate with their customers using the latest web technologies. He is a writer, speaker, and explainer in many subject areas. Greenstein also teaches a digital strategy graduate class at the Heyman Center for Philanthropy and Fundraising at NYU. He is currently a contributing editor for Inc. Magazine, (<http://www.inc.com/author/howard-greenstein>). He co-founded and sat on the Board of Directors of Social Media Club (<http://socialmediacub.org>) and is president of the NYC Chapter. Howard earned a B.S. from Cornell University, and a MPS from NYU's world-renowned Interactive Telecommunications Program (ITP).

About LiveWorld

Through services and software, LiveWorld empowers the largest companies in the world to deliver social customer experiences that deepen relationships between brands and customers. Our marketing, customer service, and insights solutions enable companies to maximize the potential of social media and online communities. LiveWorld services include strategy, campaign management, content moderation, customer engagement, social media analytics, and customer service. For over 19 years, LiveWorld has delivered services and software for moderation, engagement, customer service, and insight, enabling brands to manage social media and online community programs at scale. LiveWorld clients include the #1 brands in consumer packaged goods, retail, pharmaceutical, financial, and travel services. LiveWorld is headquartered in San Jose, California, with offices in New York City and Austin.

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