Monitoring social media important for managing corporate reputation
By Ryan Huang, Channel NewsAsia | Posted: 05 January 2010 2312 hrs

SINGAPORE: Companies will need new strategies to cope with the growing popularity of social media websites, said experts.

These strategies include investing more to monitor what is being said about the firms, as it could affect corporate reputations and their business prospects.

Protests against US beef imports flooded the streets of South Korea in 2008, and observers said this was partly due to ineffective response by South Korean officials to tackle cyberspace rumours about the madcow disease.

Experts pointed out a lesson for businesses there: that they need to closely monitor online conversations to avoid negative fallout on themselves.

Some companies have had a head-start, by investing in social media monitoring. However, experts said the challenge is deciding what to do with the information that comes in.

Michael Netzley, practice assistant professor of Corporate Communication at the Singapore Management University, said: “The next step for organisations, I think, is to figure out how do engage your stakeholders, how do you choose the right channel, and how do you talk in a way that is authentic, that is credible, and actually reflects well on the organisation.”

Analysts suggest that companies will need to come up with new policies to handle social media, including forming a special task group, with a spokesperson empowered to respond immediately to Internet developments.

"Every company needs to come up with a policy of some sorts, to understand how to react to this data," explained Anshul Jain, chief executive officer at ThoughtBuzz.

“Social media is not reduced to one department or one group of people. It’s a combination of a few departments. You could have PR people, corporate communications people, marketing people, customer support people... and those could form what you call a social media group, or social media advocacy group within the company.

“And then the company has to decide who is the person to respond to it, who should be the person to respond to such comments or such crisis situations.”

Another crucial task is to identify the key websites and people to monitor.

Jain said: "Companies should very specifically check out which are their top sources of information, whether they are forums or blogs, and who are their key opinion leaders.

“Facebook and Twitter are the biggest and they’re the most famous. But there are a lot of other channels which contribute a lot. Forums in Asia, especially, are very big.”

For Asia, experts say online forums will continue to be the most influential, partly due to cultural preferences. This is because social networking websites are still relatively new in the region.

Within the region, they believe that Asian language websites present a potential market.

As a reflection of the growing demand for social media monitoring services, social media monitoring firm Thoughtbuzz is expecting to see revenue growth of at least 20 to 40 per cent over the next 12 months.