From Risk to Responsibility:

Social Media & the Evolution of Transparency

#BrandsGetReal
From Risk to Responsibility: Social Media & the Evolution of Transparency

Fake news. Data breaches. Privacy concerns. In our hyper-connected, hyper-complicated world, there’s always a question of whether what you see online is accurate or the whole story. People shop and consume information with a healthy dose of skepticism, and brands are fighting an uphill battle to earn the trust—and business—of today’s consumer.

The era of distrust is driving demand for greater transparency from power players, brands included, and setting new communication standards. To understand this evolution and the state of transparency in brand-customer relationships, Sprout Social surveyed 1,000 U.S. consumers on their transparency beliefs, expectations and desires to develop this study, From Risk to Responsibility: Social Media and the Evolution of Transparency.
First and foremost, our research found that 86% of Americans say transparency from businesses is more important than ever before.

Thanks to the growth of social media, brands and consumers have unprecedented access to each other. While this intimate connection fuels amazing experiences, it also puts additional responsibility on everyone involved. Consumers’ cards are on the table—they want more transparency, now. It’s time for brands to step up to the plate and deliver.

To avoid striking out, it’s important for decision makers to know what they’re aiming for. What does transparency actually mean to the general public? The largest number of people say transparency is when businesses are open (59%), clear (53%) and honest (49%).

These guiding principles give a sense of what consumers are looking for, and they make it clear that there’s more than one way to demonstrate transparency as a business. Although companies should leverage multiple communication channels to make good on the interest in more transparency, this study proves no channel is better suited than social media to forge real connections in authentic ways.
Key Findings

Brands that prioritize transparency in their social approach earn great rewards—gains in consumer trust, increased sales and a bolstered brand reputation. They have every reason to make good on consumers’ high expectations for transparency, and findings from this survey indicate that the harder brands work, the more they stand to earn:

- **Consumers’ transparency expectations grow daily, and long-term relationships inspire long-term trust.** Eighty-six percent of Americans believe transparency from businesses is more important than ever before. When brands are transparent and develop a history of transparency, nearly nine in 10 people are more likely to give them second chances after bad experiences and 85% are more likely to stick with them during crises.

- **Social amplifies transparency, which can create challenges for brands—but offers even bigger rewards.** Forty percent of people who say brand transparency is more important than ever before attribute it to social media. Heightened transparency expectations on social lead to significant benefits and risks. More than half of consumers (53%) are likely to consider brands that are transparent on social for their next purchase. However, a lack of transparency on social leaves 86% of people likely to take their business to a competitor.

- **Brands have plenty of room to improve their transparency efforts across social platforms.** Eighty-one percent of people believe businesses have a responsibility to be transparent when posting on social media—that’s higher than the standards they set for politicians, friends/family or themselves. But only 15% of consumers believe brands are currently “very transparent” on social.
• **CEOs have the unique power to bolster transparency efforts on social and bring out the best in others.** One third of consumers say they would purchase more from brands whose CEOs demonstrate transparency on social. By setting an example of transparency, CEOs can lead the charge in empowering their employees to share and advocate authentically for the brand on social.

• **Millennials raise the bar for transparency best practices on social.** Businesses are the group millennials want to be most transparent on social, and this generation is particularly interested in hearing from both brands and CEOs about their values on the channel. The result goes beyond brand loyalty and consideration—CEO transparency impacts millennials’ choice of employers as well. More than one in five millennials say a CEO’s transparency on social would encourage them to consider a career with that employer in the future.
New Rewards for the Transparent Brand

It’s no surprise brands gain a lot when they commit to improved transparency standards. Economic theory predicts it—increased demand for transparency leads to big benefits for brands that deliver.

Brands build equity and healthy relationships with consumers every time they prioritize thoughtful, honest interactions, no matter where they occur. Given the power of today’s consumer to quickly call out and amplify major issues or mistakes by brands, brands are constantly under the microscope. Cultivating loyalty and positive perception through transparency can mitigate these risks and protect brand reputation against mistakes or, in the worst case, crises.

- 85% of people say a business' history of being transparent makes them more likely to give it a second chance after a bad experience.

- Nearly nine in 10 people (85%) are more likely to stick by a business during a brand crisis if it has a history of being transparent.

- 89% of people say a business can regain their trust if it admits to a mistake and is transparent about the steps it will take to resolve the issue.

The people have spoken, and they’re willing to reward brands that demonstrate a commitment to transparency. Brands can temporarily ignore the call, or they can seize the opportunity to set the tone, get ahead of consumer expectation and leverage transparency to authentically engage their audiences and build relationships that can weather the inevitable bumps in the road.
One of the most powerful forces in brand-consumer relationships today is social media, and the unprecedented level of access and expectation provided by this channel is a driving force in the call for greater brand transparency. Social began as a way for people to stay in touch, but those kinds of communications are now the bare minimum for brands. Today’s social shift is characterized by companies moving away from programs that focus on promotions or reactive, service-oriented conversations and toward proactive strategies centered on preemptive customer care and true connection.

Consumers expect more on social—to speak and be heard, to be entertained and educated, and to have their needs met without having to ask. Forging lasting connections requires brands to be dedicated to continuous evolution and improvement, heavily influenced by listening to what their audiences want to hear. Don’t look at transparency solely as a sales or marketing tactic, or even a simple shift in communication strategies. Transparency asks every level of an organization to adjust how it engages, who it wants to be and how it will behave in today’s world.
Social Drives Transparency Demands

Social creates desires for long-term relationships and closer connections with our favorite brands. This unlimited and unprecedented access to companies also emboldens all of us to monitor transparency as a regular part of these connections and to call out brands that fail to meet our standards.

Forty percent of consumers who say that transparency is more important than ever before credit the shift to social—and 36% of this group also attribute this to social making transparency easier to monitor.

Social media ranks high among the channels where people want businesses to be more transparent, with 56% of people saying they want brands to be most transparent on social—ranking it above traditional communication channels like print ads, email and direct mail. Twitter, Facebook and Instagram have upped the importance of transparency overall—research finds 81% of people believe social media has increased accountability for businesses.

Why Consumers Say Transparency From Brands Is More Important Than Ever Before

- Companies are morally obligated: 58%
- Consumers expect it: 45%
- Most interactions are digital: 44%
- Social makes it more important: 40%
- Social makes it easier to monitor: 36%
- Employees expect it: 33%
Increased accountability elevates the role transparent and authentic social strategy plays in successful brand-consumer relationships. But many stakeholders fail to connect how transparency communicates authenticity to consumers. Businesses must come to terms with the fact that the majority of people expect to have relationships and communication with brands that fuel a sense of personal and direct connection. The "always on" nature of social puts pressure on businesses to commit to transparency in advance, in multiple formats and in real time.

Calls for transparency on social media peak among one of the channel's most active age groups—millennials. Millennials want businesses at their most transparent on social media, expecting more transparency from brands than politicians and their own friends and family members.

### Communication Channels Where Millennials Want Brands to Be the Most Transparent

1. Social media
2. TV/radio ads
3. Media interviews

### Groups Millennials Want to Be the Most Transparent on Social Media

1. Brands
2. Politicians
3. Friends/family
Since its founding in the early 1970’s, Starbucks has been a brand of the people—a convenient cup of coffee at every corner. However, social media puts new communication pressures on companies, no matter how well they’ve understood and engaged with consumers in the past. Thanks to smartphones, every Starbucks customer can shine light onto company business practices and mistakes in real time. It only took one bystander to an incident at Starbucks to generate 11.3 million views on Twitter alone.

This headline from Slate captures the reality brands face today: "YouTube and Twitter Turned the Philadelphia Starbucks Story Into News."

The viral, accessible nature of social escalates the need for brands to commit to transparency in both reactive and proactive scenarios. Starbucks’ quick response and action to close stores for anti-bias training proves this is possible, even for global enterprises that have made mistakes. The company has since taken to Twitter and Instagram to offer customers glimpses into the topics they care about most, including diversity goals and sustainability efforts. Transparency into important business areas is helping Starbucks earn back trust and business among customers its previous actions pushed away.
The Honest Truth? Move on Social Transparency Now

There are plenty of avenues for brands to meet today’s demand for increased transparency, and the biggest opportunities are on social.

By their very nature, social platforms bring together communities interested in ongoing conversations. Social helps brands get front and center with their target audiences and leverage rich, interactive content experiences to share important messages and values. In a lot of exciting ways, social continues to push brands to reimagine what transparency looks like and how they can best achieve it.

Unfortunately, just 15% of people believe brands are already very transparent on social media, and twice as many people (30%) say brands aren’t transparent at all on social.

How Transparent Consumers Believe Brands Are on Social Media

- 15% Very transparent
- 30% Not at all transparent
- 55% Somewhat transparent
Consumers expect more on social—to speak and be heard, to be entertained and the unprecedented level of access and expectation provided by this channel is a commitment to transparency. Brands can temporarily ignore the call, or they can seize the people have spoken, and they're willing to reward brands that demonstrate a commitment to transparency as a regular part of these traditional communication channels like print.

It's no surprise brands gain a lot when they commit to improved transparency standards. While brands that embody transparency on social can reap the rewards of a stronger relationship with consumers, businesses that do not receive the same results. This massive gap between what brands are responsible for and what they currently deliver offers a major opportunity to companies that revisit their social strategies fast. Investing in greater transparency on social inspires positive results that might begin on social but also influence offline loyalty, word of mouth and purchasing. In fact, more than half of consumers (53%) say a brand’s transparency on social would cause them to consider that brand for their next purchase—and 37% say they would purchase more from a company that’s transparent on social.

Groups Consumers Say Have a Responsibility to Be Transparent When Posting on Social Media

- Businesses: 81%
- Politicians: 79%
- Nonprofits: 77%
- CEOs: 75%
- Themselves: 71%
- Friends/family: 66%
- Celebrities: 57%

People feel strongly that brands have a responsibility to be honest on social, and they won’t hesitate to hold them accountable. Breaking down the “fourth wall” between brands and consumers requires decision makers to act with integrity and respect interaction standards on the channel.

Consumers single out brands as the group with the greatest responsibility to be transparent on social media, rating brands higher than friends, family and politicians.

While only 71% of individuals hold themselves to a standard of transparency on social, 81% expect the same from brands.

This massive gap between what brands are responsible for and what they currently deliver offers a major opportunity to companies that revisit their social strategies fast. Investing in greater transparency on social inspires positive results that might begin on social but also influence offline loyalty, word of mouth and purchasing. In fact, more than half of consumers (53%) say a brand’s transparency on social would cause them to consider that brand for their next purchase—and 37% say they would purchase more from a company that’s transparent on social.
On an even grander scale, brands that build strong social relationships founded on transparency remain top of mind with people and boost their bottom lines. Industry research finds nearly three-fourths of consumers (73%) are willing to pay more for products that guarantee total transparency.

![Consumer Reactions to Brand Transparency on Social](image.png)

While brands that embody transparency on social can reap the rewards of a stronger connection with their audience, consumers also identified the risks faced by brands that aren’t making progress in this area. **Eighty-six percent of people are likely to take their business to a competitor when there’s a lack of transparency on social** (44% are very likely)—even greater motivation for brands to develop social transparency strategies now.

This is true for every industry. While healthcare and government top the list, consumers have transparency expectations no matter what they’re looking for.
Consumers expect more on social—to speak and be heard, to be entertained and proactive strategies centered on preemptive customer care and true connection. It only took one bystander to an incident at Starbucks to generate diversity goals. Brands that prioritize transparency in their social approach earn great rewards—gains in diversity goals. YouTube and Twitter captures the reality brands face today: “YouTube and Twitter started as a way for people to be heard, but now it's about entertainment and connection.”

Eighty-six percent of people are likely to take their business to a competitor when there’s a lack of transparency on social. More than half of consumers (53%) are likely to consider brands that are transparent on social media. Unsurprisingly, people prefer when brands admit their mistakes and are generally more likely to give them second chances after bad experiences and stick with them during crises. Eighty-five percent are more likely to stick with them during crises. Businesses are the group millennials want to be most transparent on social, and social transparency can directly impact how millennials choose to work. Millennials raise the bar for transparency best practices on social. Consulting firm Edelman’s Edelman Trust Barometer shows that 85% of people say a business’ history of being transparent makes them consider the firm for future patronage. In this survey, People are more likely to give them second chances after bad experiences and stick with them during crises. Eighty-five percent are more likely to stick with them during crises.

From Risk to Responsibility: Social surveyed 1,000 U.S. consumers on their transparency beliefs, expectations and behavior. According to the survey, businesses that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Thanks to smartphones, every Starbucks customer is a potential brand ambassador. However, 66% of Starbucks’ social followers are also customers. If they’re not, they are potential customers. Only 36% of consumers could name the founder of the brand they follow. The majority of consumers (71%) are more likely to engage with brands that have a founder profile on social, while 68% say followers care about the authenticity of the content. The majority (71%) of consumers prefer when brands have the founder's profile on social for authenticity. The majority (71%) prefer transparency in the form of a founder profile on social. CEOs are now a top influence for consumers and businesses. People want to see the CEO in social media profiles when possible, your CEO can seek help or partner with social and marketing. The majority (71%) of the respondents say that it matters if they can engage with the CEO in social media profiles. While brands that embody transparency on social can reap the rewards of a stronger customer relationship, they may also face risks. More than half of consumers (53%) are likely to consider brands that are transparent on social when making a purchase decision. People also expect brands to be transparent with their pricing, which is why 45% of consumers are more likely to shop from brands that are transparent about prices.

Social transparency has become critical to business success. It’s more important than ever before to ensure that transparency is a core part of your brand’s voice. Modern leadership means CEOs should embrace modern engagement channels and take responsibility to be honest on social. It’s also important to note that 80% of consumers are more likely to consider brands that disclose their mistakes, and 71% say they are more likely to engage with brands that have a founder profile on social. Graceful mistakes are a must for modern brands. With 56% of people saying they want brands to be most transparent on social, businesses should work to meet these expectations. Consumers trust social media more than any other channel when it comes to making purchase decisions. Companies that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Brands that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Transparency is more important than ever before attribute it to social media. People want to see the CEO in social media profiles when possible, your CEO can seek help or partner with social and marketing. The majority (71%) of the respondents say that it matters if they can engage with the CEO in social media profiles. While brands that embody transparency on social can reap the rewards of a stronger customer relationship, they may also face risks. More than half of consumers (53%) are likely to consider brands that are transparent on social when making a purchase decision. People also expect brands to be transparent with their pricing, which is why 45% of consumers are more likely to shop from brands that are transparent about prices.

Elevate social transparency as a business strategy, not just a marketing effort. Social transparency must be a priority for modern businesses. It’s more important than ever before to ensure that transparency is a core part of your brand’s voice. Modern leadership means CEOs should embrace modern engagement channels and take responsibility to be honest on social. It’s also important to note that 80% of consumers are more likely to consider brands that disclose their mistakes, and 71% say they are more likely to engage with brands that have a founder profile on social. Graceful mistakes are a must for modern brands. With 56% of people saying they want brands to be most transparent on social, businesses should work to meet these expectations. Consumers trust social media more than any other channel when it comes to making purchase decisions. Companies that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Brands that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Transparency is more important than ever before attribute it to social media. People want to see the CEO in social media profiles when possible, your CEO can seek help or partner with social and marketing. The majority (71%) of the respondents say that it matters if they can engage with the CEO in social media profiles. While brands that embody transparency on social can reap the rewards of a stronger customer relationship, they may also face risks. More than half of consumers (53%) are likely to consider brands that are transparent on social when making a purchase decision. People also expect brands to be transparent with their pricing, which is why 45% of consumers are more likely to shop from brands that are transparent about prices.

Evolution of Transparency. Social Media & the Evolution of Transparency. Social media has changed the way companies communicate with consumers. Social transparency has become critical to business success. It’s more important than ever before to ensure that transparency is a core part of your brand’s voice. Modern leadership means CEOs should embrace modern engagement channels and take responsibility to be honest on social. It’s also important to note that 80% of consumers are more likely to consider brands that disclose their mistakes, and 71% say they are more likely to engage with brands that have a founder profile on social. Graceful mistakes are a must for modern brands. With 56% of people saying they want brands to be most transparent on social, businesses should work to meet these expectations. Consumers trust social media more than any other channel when it comes to making purchase decisions. Companies that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Brands that revisit their social strategies to be more transparent, with 56% of people saying they want brands to be most transparent on social. Transparency is more important than ever before attribute it to social media. People want to see the CEO in social media profiles when possible, your CEO can seek help or partner with social and marketing. The majority (71%) of the respondents say that it matters if they can engage with the CEO in social media profiles. While brands that embody transparency on social can reap the rewards of a stronger customer relationship, they may also face risks. More than half of consumers (53%) are likely to consider brands that are transparent on social when making a purchase decision. People also expect brands to be transparent with their pricing, which is why 45% of consumers are more likely to shop from brands that are transparent about prices.

Industries Consumers Want to Be Transparent on Social Media

<table>
<thead>
<tr>
<th>Industry</th>
<th>Transparency Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>63%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>63%</td>
</tr>
<tr>
<td>Banking/finance</td>
<td>56%</td>
</tr>
<tr>
<td>Technology</td>
<td>53%</td>
</tr>
<tr>
<td>Consumer goods</td>
<td>52%</td>
</tr>
<tr>
<td>Education</td>
<td>52%</td>
</tr>
<tr>
<td>Retail</td>
<td>49%</td>
</tr>
<tr>
<td>Nonprofits</td>
<td>49%</td>
</tr>
<tr>
<td>Automotive</td>
<td>48%</td>
</tr>
<tr>
<td>Real estate</td>
<td>47%</td>
</tr>
<tr>
<td>Travel/hospitality</td>
<td>45%</td>
</tr>
<tr>
<td>Marketing/advertising</td>
<td>41%</td>
</tr>
<tr>
<td>Media/entertainment</td>
<td>39%</td>
</tr>
</tbody>
</table>
We are what we eat. With increased food allergies and general awareness about food sourcing and sustainability practices, people are hungry for greater insight into where and how their food is produced.

Meal-kit delivery company, Blue Apron, demonstrates how this pressure to provide product information is actually an opportunity for strategic brands. Blue Apron houses information about its food partners on the company website, and it’s not alone among meal-kit vendors in doing this. But Blue Apron takes interactions one step further and transparently communicates vendor information via social. The company has published personal profiles on suppliers, videos on how ingredients are made, updates about awards won for sustainability practices and more. Each piece of social content educates consumers on Blue Apron business practices and gets ahead of their purchasing concerns. Meal-kit companies are very similar, and this social communication strategy acts as an important differentiator between Blue Apron and competitors.
Great Opportunities, Great Expectations

Social asks a lot of brands, but it also arms companies with the ability to deliver on consumers’ heightened transparency expectations. In order to meet—or even exceed—consumer expectations, stakeholders must understand what demonstrates transparency to their target audiences.

Consumers’ opinions on transparency are relatively black and white. The greatest number of people feel brands lack transparency when they withhold information (69%). Ignoring questions—regardless of who asks them—can be detrimental as well.

### Brands’ Social Media Actions That Demonstrate a Lack of Transparency

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withholding information</td>
<td>69%</td>
</tr>
<tr>
<td>Ignoring customer questions</td>
<td>68%</td>
</tr>
<tr>
<td>Ignoring employee questions</td>
<td>58%</td>
</tr>
<tr>
<td>Avoiding relevant political/social issues</td>
<td>34%</td>
</tr>
<tr>
<td>Not posting very often</td>
<td>20%</td>
</tr>
</tbody>
</table>
Unsurprisingly, people prefer when brands admit their mistakes and are generally forthcoming with company information. What you may not know, however, is the impact of addressing specific topics that not every brand covers by default. For example, 46% of people want brands to be transparent about their employment practices on social, outpacing topics like financial performance. Similarly, the same number of people (53%) want brands to be transparent about product or service changes as well as company values, requiring more coverage than marketing or employment practices.

### Topics That Demonstrate a Brand's Transparency on Social Media

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admitting mistakes</td>
<td>61%</td>
</tr>
<tr>
<td>Honest responses to customer questions</td>
<td>58%</td>
</tr>
<tr>
<td>Product/service pricing</td>
<td>45%</td>
</tr>
<tr>
<td>Manufacturing practices</td>
<td>43%</td>
</tr>
<tr>
<td>Marketing practices</td>
<td>39%</td>
</tr>
<tr>
<td>Employment diversity/demographics</td>
<td>39%</td>
</tr>
<tr>
<td>Financial performance</td>
<td>37%</td>
</tr>
<tr>
<td>Business performance</td>
<td>35%</td>
</tr>
<tr>
<td>Political/social issues</td>
<td>31%</td>
</tr>
</tbody>
</table>

### Topics Consumers Want Brands to Be Transparent About on Social Media

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product/service changes</td>
<td>53%</td>
</tr>
<tr>
<td>Company values</td>
<td>53%</td>
</tr>
<tr>
<td>Business practices</td>
<td>50%</td>
</tr>
<tr>
<td>Company policy changes</td>
<td>49%</td>
</tr>
<tr>
<td>Employment practices</td>
<td>46%</td>
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<tr>
<td>Pricing decisions</td>
<td>43%</td>
</tr>
<tr>
<td>Marketing practices</td>
<td>41%</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>40%</td>
</tr>
<tr>
<td>Financial performance</td>
<td>38%</td>
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</tbody>
</table>
Content type also influences how transparently brands’ messages come across on social. For example, **people think video is the most transparent content format on social**, with 43% specifically naming live video as the most transparent medium. Video is highly engaging, and brands that share videos on social are more likely to reach target audiences with person-to-person, transparent storytelling.

**Types of Social Media Posts Consumers Consider Most Transparent**

- 67% Video
- 23% Text
- 6% Photo
- 4% GIF

Millennials want an inside look into companies’ values, ranking this higher than information about changes to products and services. Respondents from the first Brands Get Real report were clear they want to **know what brands stand for**. In this survey, millennials demonstrated that they’re doubling down on that desire and expecting brands to address what they stand for and who they are.

**Topics Millennials Want Brands to Be Transparent About on Social Media**

1. Company values
2. Changes to products/services
3. Employment practices
Beauty brand Sephora demonstrates how companies can elegantly and naturally incorporate their values into their social presences.

One of Sephora's most strategic ideas is the Classes for Confidence campaign, which focuses on increasing women's confidence during important life transitions, such as surviving cancer or starting a job. In recognition of its changing customer base, Sephora's next series will offer beauty courses to the transgender community. Classes will be held in select stores as well as on YouTube.

Sephora employees who are knowledgeable about the transgender community spearhead the campaign. The company also consulted transgender customers to hear about their desires and concerns. This decision to elevate internal experts offers customers a window into Sephora’s values and business practices. The beauty brand cares about minority communities and is determined to get their experiences right.

Sephora’s video campaign offers the inspiring stories many young shoppers seek out on social, associating positive emotions and aspirations with the Sephora brand. Our data finds millennials are already comfortable learning and making connections on social platforms, and Sephora uses the channel to lead with transparency and authentically engage their target audience.
Empower the CEO to Be a Transparency Champion

Transparency is a company-wide effort. Therefore, it helps to have buy-in from the top. Developing a strategic approach to enable CEOs to be more present on social makes it easier for brands to connect with target audiences and earn their loyalty, time and consideration—both from shoppers and from potential employees.

CEOs can provide a living example of what relationships with consumers on social should look like; thereby inviting others in the organization to serve as brand advocates on the channel. The largest group of consumers (39%) say employees are the most transparent representatives for businesses on social, so any brand hoping to increase their employee advocacy footprint should put an emphasis on helping leaders “walk the walk” by developing a stronger executive presence on social.

The mere presence of a CEO on social media has the added bonus of creating a positive impression of his or her brand.

Compared to CEOs Without a Social Presence, CEOs With Personal Profiles Are More:

- 39% Accessible
- 39% Approachable
- 37% Human
- 28% Trustworthy
- 27% Authentic
- 13% Expert
- 29% Honest
More than half of consumers want CEOs to have a personal presence on social media, such as their own Twitter handles or Instagram accounts. And 63% of people say CEOs who have their own social profiles are better representatives for their companies than CEOs who do not. This is in addition to the reputational benefits CEOs with their own social profiles already earn, such as seeming more approachable, accessible and human.

And given every executive's consideration for the bottom line, CEOs should be aware that 32% of consumers say that a CEO's transparency on social would inspire them to purchase more from that business. Additionally, almost one in five individuals (18%) would see a CEO's transparency on social as a reason to consider career opportunities at that company in the future.
As with social overall, brands must learn what people desire from CEOs on the channel before they can educate company leaders on how to best champion transparency efforts. Consumers want CEOs to keep their posts focused on business needs over personal updates, but the bottom line is that **CEOs are more likely to make a positive impact when they share transparently on social, no matter what they post about.**

It’s also important to note that 80% of people say CEOs should manage their own social presence. Of course, this is not realistic for every business leader. The takeaway, however, is that regardless of how brands choose to manage their CEO profiles—whether outsourced, run by the marketing team or even by the CEO—consumers expect an authentic experience. Behind the screen, what matters is that people feel like they’re engaging directly and personally with CEOs.

**Millennials** have strong preferences for brands and CEOs that share authentically on social.

### Social Content From CEOs That Positively Impacts Consumers’ Brand Perception

<table>
<thead>
<tr>
<th>Reasoning for business decisions</th>
<th>84%</th>
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<tbody>
<tr>
<td>Industry thought leadership</td>
<td>82%</td>
</tr>
<tr>
<td>Inside look at the company</td>
<td>82%</td>
</tr>
<tr>
<td>Next steps after a brand crisis</td>
<td>81%</td>
</tr>
<tr>
<td>Inside look at role as CEO</td>
<td>78%</td>
</tr>
<tr>
<td>Individual employee stories</td>
<td>78%</td>
</tr>
<tr>
<td>A mistake the company made</td>
<td>73%</td>
</tr>
<tr>
<td>A mistake the CEO made</td>
<td>71%</td>
</tr>
<tr>
<td>The CEO’s family and friends</td>
<td>64%</td>
</tr>
<tr>
<td>The CEO’s personal interests</td>
<td>63%</td>
</tr>
</tbody>
</table>
One of the most powerful forces in brand-consumer relationships today is social media,
which provides a unprecedented level of access and expectation. From Risk to Responsibility:
Social Media and the Fourth Estate
Fake news. Data breaches. Privacy concerns. In our hyper-connected, hyper-complicated
world, the stakes for preserving brand reputation are higher than ever. In a recent
research study, Sprout Social found that 69% of Americans believe brands have a
responsibility to be honest on social, and 86% believe a business is likely to lose
customers to a competitor who has their own social profiles.

### Millennials’ Perception of CEO Transparency on Social Media

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>69%</td>
<td>Want CEOs to have a personal presence on social media.</td>
</tr>
<tr>
<td>30%</td>
<td>Say they will follow the profiles of CEOs that demonstrate transparency on social.</td>
</tr>
<tr>
<td>71%</td>
<td>Say CEOs make a positive impact when they post transparently about personal interests.</td>
</tr>
<tr>
<td>22%</td>
<td>Say a CEO’s transparency on social would positively influence interest in working at their company.</td>
</tr>
<tr>
<td>70%</td>
<td>Believe CEOs are better company representatives when they have their own social profiles.</td>
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Clothing website Everlane knows the power CEOs have on social. The company's founder, Michael Preysman, reinforces his company’s commitment to transparency with posts on his own social profiles (great for younger shoppers). Each post amplifies conversations around topics important to Everlane customers, such as donations to the ACLU and an insider’s look at life as a CEO. Preysman pulls it all together in his series of personal Instagram letters that explain company finances, product and big-scale decisions.

But Preysman isn’t a one-man band. He speaks to his personal audience while also using Instagram Stories from Everlane’s brand handle to be transparent with audiences. Through “Transparency Tuesdays,” Preysman answers fans’ questions on topics like factory practices and employee treatment. Everlane makes sure to visit different departments (QC, retail, HR) and offer a window into the company’s business goals and values.

For brands like Everlane that were born in the digital age, transparency is a way of life. Honest, open communications are built into every facet of Everlane’s business and across all channels. Older corporations can turn to Everlane for examples of how to promote social transparency despite business units, geographic distances or existing strategies.
Communication Strategies for the Transparent Brand

Findings from this report show a clear need for improved transparency now. People believe transparency is more important from brands than ever before, and they want the businesses they support to be especially transparent on the communication channels where they interact every day. As social has increased opportunities for people and brands to readily connect, it has also driven heightened expectations on which the majority of businesses are falling short.

That’s because while greater transparency is already the goal at many companies, consumers won’t accept unfiltered, haphazard efforts—or overly polished marketing ploys. Establishing transparency best practices and exceeding standards requires ample strategy, listening and a continual appreciation for authentic sharing, even on issues where transparency presents a greater challenge.

To establish transparency as a principle on social (and elsewhere), consider the following four communication tactics:

1. **Elevate social transparency as a business strategy, not just a marketing effort.**

Every member of your brand helps drive honest communications, and it only takes one poor interaction to turn off customers. Transparency must be an overarching business pillar, not a responsibility that marketers and customer service representatives own in a silo.

Social is important to more than just your customers. It matters to your current and prospective employees as well, and social transparency can directly support HR and recruiting efforts. Channel investments deliver the best results when they’re holistic and help brands act as social businesses, not businesses with social strategies.
Listen, then act: Use social insights to invest where it matters.

Brands that focus exclusively on the marketing benefits of increased transparency, like standing out from competitors, risk delivering generic, inauthentic experiences that cater too directly to their own marketing and sales goals. The stakes are high, and brands need to take stock of what their audiences want before they act.

Just as social offers an avenue for brands to proactively deliver on transparency, it also offers an opportunity to step back and listen. Millions of consumer comments and conversations happen on social, and the insights your brand can gain from understanding this data will inform transparency efforts going forward. Yes, people are talking about your industry, brand and products—but your target audience is also talking about the issues they care about that don’t directly tie to your brand. Understanding customer and industry beliefs and values empowers your team to lead efforts toward open communication in a unique, thoughtful way that your audience can’t help but notice.

Hand CEOs the megaphone.

Modern leadership means CEOs should embrace modern engagement channels and take their executive presence outside the boardroom. Your CEO sets the standard for active, honest sharing on social and empowers your employees to authentically share, too.

Not all CEOs are prepared or eager to post on social, however. But connecting with consumers doesn’t necessarily demand that brand leaders generate new thought leadership or spend a lot of time on the channel. Often, people just want more access to CEOs, and that can be as simple as sharing pictures from a company outing or attendance at an industry event. And while CEOs are advised to manage their own social profiles when possible, your CEO can seek help or partner with social and marketing experts on your team to facilitate a stronger, sustainable presence.
Use social media to turn back the years.

Social offers diverse options to find and connect with millennials on the platforms they find valuable. Given the millennial preference for companies and executives that communicate transparently on social and emphasize core values, any employer planning to grow in the coming years should take note.

Why? Because millennials in America have immense purchasing power—more than any other generation. Also, Pew Research indicates that millennials will soon be the largest generational workforce in the U.S. Your organization’s involvement on social shapes your talent pool, and your employer brand influences whether millennials will even consider you as an employer.

Don’t feel like you have to get it all right at once. Social’s blend of permanent and ephemeral content offers many opportunities to explore transparency strategies, earn feedback and improve experiences. Brands and CEOs can make a positive impact with millennials through a range of topics (business practices, employee treatment, personal lives and more), so explore different conversations to learn what resonates most with your target audiences.

With so few consumers genuinely believing brands are capable of transparency today, positioning transparency at the core of your business strategy today means staying ahead of the curve tomorrow.

Transparency must become the new normal for brands to move forward—is yours ready?
About the Data

The From Risk to Responsibility: Social Media & the Evolution of Transparency study is based on a survey of 1,000 U.S. consumers. The survey was conducted online between April 30 - May 9, 2018. Graphics are rounded to the nearest percentage and may not add up to exactly 100%.

Learn More

Brands Get Real is a series of reports from Sprout Social that examine how social media is changing consumer expectations and the increasing power of brand authenticity. Read the first report in this series: Championing Change in the Age of Social Media.
About Sprout Social

Sprout Social offers deep social media listening and analytics, social management, customer care, and advocacy solutions to more than 24,000 leading brands and agencies, including Evernote, adidas, West Elm and Edelman. Sprout's suite of solutions supports every aspect of a cohesive social program and enables organizations of all sizes to extend their reach, amplify their brand and create the kind of real connection with their consumers that drives their businesses forward. Headquartered in Chicago, Sprout is a Twitter Official Partner, Facebook Marketing Partner, Pinterest Marketing Partner, Instagram Partner Program Member, LinkedIn Company Page Partner and Google+ Pages API Partner. Learn more at sproutsocial.com.