

Social Media Use in the Australian Energy and Resources Sectors

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Abstract. Social media is becoming ubiquitous, but may not always be an effective way for companies to interact with their stakeholders. This paper reports the results of ongoing assessments of social media use in the Australian energy and resource sectors, starting from 2013. Nearly all energy and mining companies had publicly accessible websites but, while increasing, social media use is (still) relatively limited compared to other industries. LinkedIn (with a recruitment focus) was the social media channel most commonly adopted across the extractive sectors although Twitter and YouTube increasingly are being adopted. Larger companies use more channels, post more and have more followers. In contrast, even small environmental and community groups frequently used a range of social media. While this might suggest social media should be a place to engage such groups in dialog, other recent studies suggest that in practice social media platforms are often difficult venues to do this. Not least, this is because companies cannot control the directions of conversations. For example, customers of utility companies frequently use Social Media to bypass official grievance mechanisms, which over time has apparently led to demand driven increases in resourcing needed to deal with this. In addition to providing an industry-wide benchmark of social media use, these surveys provide a basis for comparison to other industries to understand what role social media could have in better engaging stakeholders associated with the extractive sectors.

Keywords: Social Licence to Operate; Communications; Facebook; Twitter; LinkedIn; YouTube; Corporate Social Responsibility; Stakeholder Engagement

Background

Social Media have become important means of communication for many in society, with surveys pointing to a continuing increase in their use and becoming the main means by which many (especially younger) people access news (e.g. Shearer and Gottfried 2017). Consequently, many companies have adopted social media, even in industrial sectors where this may not be expected (Kim *et al.* 2014). Yet, while social media may be becoming ubiquitous, they may not always be an effective way for companies to interact with stakeholders, even if the stakeholders are already using social media to communicate amongst themselves (Hendriks *et al.* 2016). Thus, companies in the energy and resources sectors need to consider carefully how they invest effort in to social media, whether this enables effective interactions with their stakeholders and what sorts of resources such efforts might require in the future.

Stemming from a group exercise in a Masters level class on ‘Social Licensing’ at University College London (UCL) in Adelaide, this paper reports results from quantitative assessments of social media use in the Australian energy and resource sectors over the last five years. Starting with energy companies (in 2013) and mining companies (2014), we then also assessed social media use in a potentially important and often oppositional stakeholder group (environmental organisations) in 2015. Energy and mining companies were recently re-assessed again in early 2018. By observing the way social media has been used in the energy and resources sectors and how this appears to be changing over time, the aims of this work are to provide a benchmark for industry and to help companies to think strategically about their level of investment in these forms of communication.

Assessments of Social Media Adoption in 2013/14

The initial assessments done by the UCL Social Licensing class were done in 2013, focussing on the 100 largest energy companies listed on the Australian Stock Exchange (ASX) at the time (Australian Stock Exchange 2013), plus the Australian operations of the six super-major oil and gas companies. In 2014, the 100 largest listed mining and metals companies were assessed (Australian Stock Exchange 2014). We measured a range of metrics of social media adoption and use, from communications channels present on a company’s main website through to which social media were used by the company, how long they had been on a channel and how frequently they posted. Copies of the assessments and final data are available on request from the author and more details of results of these first assessments are given in Styan *et al.* (2015).

While nearly every company had a web site and email contact address, links from the main website to other communications channels such as blogs were rare. Similarly, social media use was limited with most companies were using just one (~ 30%) or none (~ 40%). Of the various social media channels,

LinkedIn was by far the most commonly adopted (~ 45% of companies overall). The next most common (Facebook, Twitter and YouTube) all had relatively low levels of adoption ($\leq 20\%$) and the rates at which these were being adopted by new companies was steadily slow. The exceptions to this were companies that provided utilities to customers, which displayed greater use of Facebook, Twitter and YouTube, at adoption rates like other sectors (Kim *et al.* 2014). For several of these companies, (very) many posts from the public were complaints about bills or service, which then were resolved offline, effectively turning the channels into additional grievance mechanisms.

Environmental Organisations in 2015

In 2015, assessment was done on environmental/conservation groups, based on the Australian Register of Environmental Organisations (Australian Government 2015). While recording metrics, scorers classified each organisation for the scope/focus of its operations based on the website content, from local or state issue focussed groups to nationally focussed associations or Australian arms of internationally run organisations.

Regardless of size/scope, like the energy and resources companies, all organisations had an active website and email contact (Table 1). In contrast, most of websites (~ 85%) had a link to make donations to the organisation. Blogs allowing comments from the public were still not common but more frequent in the (usually larger) more inter/nationally focussed organisation, although were more common even in small organisations than for the energy and resources companies (Table 1). In contrast to the energy and resources sector assessments, environmental organisations were frequently using multiple social media channels, with much more common adoption of Facebook, Twitter and, to a lesser extent, YouTube (Table 1). Perhaps not surprisingly, LinkedIn was less frequently adopted than in the energy and resources companies (Table 1).

2018 Assessment of Mining and Energy Companies

The 50 largest energy and 50 largest mining and minerals companies listed on the ASX in 2017 (ASX 2017a, 2017b) have been re-assessed recently (February 2018), using the methods as above. Although this recent survey did not include smaller companies which were included in the 2013/14 surveys and includes other minor changes related to de-listings and moves in/out of sector indices, some general patterns from the earlier assessments of the energy and resources sectors persisted. Notably, while most companies provided news or other articles on their websites, still very few companies used blogs which allowed the public to publish comments (Table 2). Similarly, Facebook use remained low overall (Table 2); those companies using it were mainly (larger) companies which had done so for some time. Use of channels like Google+, Flickr, Tumblr and Instagram were all still very low (and lower than in environmental organisations). There does, however, appear to have been an increase in

adoption of at least some social media channels in the intervening period (Table 2), with only ten companies overall now not having adopted at least one channel. LinkedIn was still by far the most commonly adopted channel, with most companies (> 80%) having a presence. In some cases, the company had a page but did not appear to post anything, but 50% of companies had actively posted company 'updates' and/or had job vacancies advertised on the channel. Adoption of Twitter and YouTube also both appeared to have increased, to particularly high rates in larger companies (Table 2). For Twitter, the rate of new companies joining over time has remained constant since 2013/14 but YouTube adoption appears to have accelerated.

While previously there had been few detectable differences in social media use between large and smaller companies, differences have now become more apparent. Overall, the number of social media channels being used, frequency of postings and number of followers all correlated with companies' market capitalization; larger companies had more followers, used more channels, posted more frequently. Allowing for the size differences among companies, most companies had more followers in LinkedIn than on other channels, in many cases by an order of magnitude or more. There were also a number (~10) of inactive social media accounts, where companies had either never posted and/or not posted for two or more years. As previously, companies that provided utilities/customer service had their Facebook and Twitter accounts dominated by customer complaints. The published hours when these companies' social media are monitored and responded have doubled between 2013/14 and now; presumably this also represents substantial increase in the resources required to maintain these.

Discussion

Based on the greater adoption of multiple channels such as LinkedIn, Twitter and YouTube, social media use by the energy and resources sectors appears to have increased since our initial surveys in 2013/14. In most cases, the focus of communications appears to still be on staff (and recruitment) and investors, which are clearly important stakeholders for companies. While there were not any direct measurements of the resources involved in (and technology may be making some aspects more efficient), the data here suggest that resourcing requirements to increase social media presence are also likely to have increased over time.

Having examined many social media accounts and wide range of efforts associated with different companies, an overall impression was that most material posted on social media comprised announcements of company relevant information (stock market relevant reports, stories about staff achievements, or sponsorship related material), often broadcast across channels/website/email channels. The academic literature has argued that by setting the topics of conversations this way, many organisations' (including environmental groups) use of social media fails to make the most of

the potential for direct (two-way), ‘dialogic’ communications between organizations and their stakeholders (Sommerfeldt *et al.* 2012). Whether a different dialogic approach is viable or not, at present, most companies’ posts appear to attract relatively few comments from stakeholders and then even fewer subsequent responses from companies; almost none turn into longer conversations. Present strategies, however, may be entirely appropriate for companies and more work is needed to assess social media strategies across companies – one obvious direction would be to ask companies/communications professionals about their goals, before assessing whether these are being met (e.g. DiStaso *et al.* 2011). Other work might also consider abnormal circumstances like crisis communication where a well-planned social media strategy may be important (Lin *et al.* 2016). Thus, in addition to providing an industry-wide benchmark of current social media use, the surveys here provide a starting point for considering what future role social media might have in engaging stakeholders associated with the extractive sectors.

Tables

Table 1. Web based communications used by Australian Registered Environmental Organisations in April 2015. Each organisation was categorised as having either a local to state focus for their activities or a broader, national to international focus

Communications channel	Local – state focus (N= 57)	National – international focus (N = 47)
Website	100%	100%
Email contact address	100%	98%
Subscribe to email list	58%	70%
Blog	16%	34%
Facebook	93%	85%
Twitter	51%	70%
YouTube	21%	51%
LinkedIn	18%	36%

Table 2. Web based communications used by the 50 largest Mining and Metals sector and 50 largest Energy sector companies listed on the Australian stock exchange, as surveyed in February 2018. Companies have been grouped across sectors, but pooled by Market Capitalization (Australian Stock Exchange 2017a, 2017b) into Smaller (<\$200 million), Mid-size (\$200 million - \$1 billion) and Larger (>\$1 Billion) companies

Communications channel	Smaller companies (N = 30)	Mid-size companies (N = 42)	Larger companies (N = 28)
Website	97%	100%	100%
Email contact address	90%	100%	93%
Subscribe to email list	67%	74%	54%
Blog	0%	2%	4%
Facebook	3%	10%	29%
Twitter	27%	48%	68%
YouTube	30%	30%	75%
LinkedIn	80%	90%	96%

Conflicts of interest

There are no conflicts of interest associated with this work

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