

Social Media Analytics

5 questions about social media analytics in the energy and resources industries



An interview with Deloitte Advisory leadership

For several years, social media data has been widely used to glean insights and information for marketing strategies and decisions. But only recently have analytics technologies and techniques become sophisticated and accessible enough to support corporate development, internal investigations, M&A due diligence, litigation, jury selection, and assessing insider or activists threats.

These new "sensing" capabilities present a key opportunity for organizations in the energy and resources (E&R) sectors to address a variety of different risks. Whether identifying possible security or regulatory risks, supporting M&A, understanding the opposing party, selecting a jury, or deciding how to handle and diffuse internal or external opposition, Deloitte Advisory's social media sensing capabilities have significant potential for assisting oil and gas industry clients.

What opportunity does social media sensing provide?

In the past year or so, new analytic tools have emerged that gather information from publicly available social media content. Using a range of proprietary and commercially available tools and demonstrated Deloitte Advisory investigative approaches, we can—in a matter of minutes—help uncover connections that previously may not have been identifiable. For example, we use this information, in tandem with traditional public record research, to help clients investigate potential security and insider threats and understand the social networks of environmental activists who have been significantly disrupting operations, particularly in the oil and gas industry. On a broader scale, we are using social media sensing to help identify bad actors in internal and FCPA investigations among employees and third-party vendors and understand their respective social networks.

Why should E&R companies pay attention?

Several reasons should be top of mind for E&R companies:

The growing security threat.

Recent headlines are raising awareness on how radicals and other individuals and groups potentially acting with criminal intent can carefully and methodically target vulnerabilities in oil and gas operations—some working from the outside, others on the inside as employees.¹

Environmental activism.

In recent years, environmental activists have increased both their visibility as well as the aggressiveness with which they are pursuing their causes, creating both legal and reputational risks for E&R businesses.²

5 questions about social media analytics:

1. What opportunity does social media sensing provide?
2. Why should E&R companies pay attention?
3. How does social media sensing work?
4. How is Deloitte Advisory using these capabilities specifically in the E&R industry?
5. What are the leading social media sites for investigative purposes?

Capital allocation risk.

In the current economic and regulatory environment, knowing upfront where opposition may occur, or permitting delays are likely, can be helpful. Many E&R companies are taking precautions associated with capital allocation and where investments are being made. Improved social media sensing can help inform those decisions.

Stakeholder management.

E&R companies expend significant resources on stakeholder management, including investors, analysts, regulators, and the public. Social media sensing can be effective in helping prioritize stakeholders and their concerns.

The stakes are high, and multinational energy companies, in particular, should be concerned about these potential threats. This is where social media comes in.

How does social media sensing work?

Social media platforms are valuable for sharing ideas and forming communities. Analyzing use patterns and commentary across these platforms can reveal insights to help identify individuals and groups with radical or activist connections. Today, Deloitte Advisory analysts use a wide range of commercially-available tools and investigative approaches to analyze individual and community Web presences to help expose previously unknown connections across multiple social media platforms.

Once a profile or Web presence is identified, depending upon the extent the information is publicly available, our analysts can measure the level of activity of each user, including posts, photos, videos and pages they follow; identify violent or extremist tendencies, sentiment or support, and potential security threats; and connect the dots by identifying other individuals or communities, who also may be of concern. Social media analytics tools allow our analysts to not only map out the network, but also conduct keyword searches across the network and gather relevant details such as names, contact information, business affiliations, and geographic locations—often in a matter of minutes.

How is Deloitte Advisory using these capabilities specifically in the E&R industry?

In one instance, we identified and monitored activists working against a major Fortune 500 company in the energy industry. Through our background investigations of several specific activists, the client was able to gain a meaningful understanding of potential risks to their business and reputation.

In another case, a major US institutional investment firm was targeted by an environmental activist group for investing in oil and gas companies, which caused the investment firm to reconsider its sizeable investment in one of these companies. Deloitte analysts used social media analytics tools to conduct a high-level analysis of more than 1,000 relationships one particular activist had across various blogs, discussion boards, and social and professional networking sites, pinpointing connections that could be of relevance to an investigation. More tailored

searches identified connections with individuals affiliated with specific environmental organizations and other oil and gas companies. This social media analysis, combined with targeted online public record research, provided valuable insights about the activist's relationships and activities.

Another major oil and gas company experienced negative operational and brand impacts through the actions of anti-fracking activists. Deloitte Advisory provided the client with a compilation and analysis of detailed demographic information from select regions; conducted an in-depth and graphed analysis of social media sentiment on the selected issue by region; and performed background investigations of a selection of key activists, including an analysis of their social media connections and networks of contacts. As a result, the client was able to leverage this information to develop a strategy to not only better understand and monitor social and political activism, but also to make informed business decisions in terms of addressing opposition.

What are the leading social media sites for investigative purposes?

Unsurprisingly, LinkedIn and Facebook are the favored social media sites for investigative purposes. According to a recent Deloitte Advisory pulse survey,³ both sites are used by 91 percent of respondents employing social media.⁴ Fifty-one percent of survey respondents consider LinkedIn to be highly valuable. This is somewhat more than Facebook, which is highly valued by 43 percent of those surveyed, likely because of LinkedIn's focus on professional histories and networks.

Key takeaway: Oil and gas companies face an array of risks today, from external threats like physical and cyber security, regulatory investigations of fraud, and continuing pressure from environmental groups and other activists, to intrinsic concerns like capital allocation and stakeholder management. Social media analytics can help organizations scan for previously identified threats—as well as pinpoint potential newer threats that have not been recognized before. Many companies, including those in the E&R industries, are still adapting their risk management capabilities to the rapidly expanding threat environment globally. The type of risk sensing Deloitte Advisory now offers can be foundational to our clients' abilities to assess, monitor, and manage risks going forward, whether those risks are transactional, operational, or event-driven.

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Endnotes

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