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| **elp_logo** | **MEMORANDUM** |

TO:

FROM: Spencer Moxley

DATE**:** May 26, 2010

SUBJECT: Integrated Social Media Proposal

There are more than 400 million active Facebook users, near 200 million active blogs, over 105 million Twitter users and more than one billion YouTube hits per day. Social media is pervasive in the digital age. In the same way that a website is the new front door for an organization, social media is the conversation. El Paso has recently recognized the need for and jumped into the world of social media, but the strategy needs to evolve.

Unlike traditional forms of communication, social media has the ability to change and share information in an instant. Today’s New York Times headline is yesterday’s Twitter conversation. Understanding that fresh content is essential to maintain an active dialogue, El Paso’s social media strategy needs to take advantage of the platforms available.

Traditionally, El Paso has used each platform to reach a particular target audience: Facebook is for recruiting, the blog is for the media and YouTube is for employees and families. There has been no overlap between the platforms and no discernable effort to extend the reach. This strategy doesn’t allow El Paso to maximize its media reach. Due to the sheer volume of users and the gateway ability of each, it is in the best interest of the company to utilize the interlinking capabilities of social media. New content is to be shared and spread between platforms; each platform has a particular goal, but these goals are should not be unique to the one location.

El Paso’s peer group is equally slow on the social media uptake with a few exceptions. This gives El Paso the opportunity to pioneer the online conversation and to become the standard in the industry.

**Competitor Activity**

The chart represents peer group activity into social media. The majority of El Paso’s peers have a presence on Twitter, a location which El Paso has yet to move into.

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**Overview of Facebook (all information current as of 5-21-10)**

* More than 400 million active users
* 50% of active users log on to Facebook in any given day
* Average user has 130 friends
* People spend over 500 billion minutes per month on Facebook
* Total Users: 122 million unique hits in April 2010 (WSJ)

El Paso’s Activity on Facebook

* El Paso Fans: 1,132
* Activity: 6 posts, down from 13 the week before
* 2,823 visits to your page this week (3,029 visits last week)
* Many posts from employees
* Traditional target: College Recruiting
* Links to related material
* Most users appear to be employees, not outsiders

Competitor Activity on Facebook

* ConocoPhillips
  + 2,967 Fans/Likes
  + Last Update March 2 (by Conoco)
  + Last fan post April 20
  + No info
  + No photos
  + Links and Videos dated
  + Discussion page updated semi-regularly (mostly training info)
  + Review Page contains almost exclusively negative feedback, none responded to

ConocoPhillips maintains its own Facebook page, but it clearly not a strong priority. Its updates are irregular and seem to have little direction other than as an announcement platform. However, there is a good deal of involvement and discussion on the topics they do post. There is potential to develop this into a viable tool to engage both employees and customers.

* ExxonMobil
  + Small fan base
  + Large media exposure
  + HUGE negative feedback
  + Set up page to show related posts (this seems to be the primary source of negative feedback, recommend not using this feature)

ExxonMobil does not have its own page. They are subject to the displayed feed of public opinion on the community page; the feedback is VERY negative. A community page acquires all mentions about an entity and posts them on a feed. This leaves the company’s profile to the masses.

* Pickens Plan
  + 32,722 fans/likes
  + Content updated regularly
  + Info section populated.
  + Links to related social media sites and webpage
  + Very active discussion page, clearly instigated, monitored, light if any editing
  + Links to related companies
  + Posts news related links

Pickens Plan is not an energy company in the traditional sense, but its weight is being thrown behind natural gas. Understandably, the Pickens Plan and El Paso have different goals and operations, but there is quite a bit to be learned from them. The site is updated very regularly with new information. The posts range from discussion topics (which engage visitors) to news about current efforts. The large volume of “likes” is due partially to the grassroots efforts of the organization, but it is undeniable that regular fresh content plays a part in keeping that number high. The Pickens Plan has also integrated other social media platforms to increase its reach and profile. It is important to note that updates are not exclusive to a particular platform; when the Facebook page is updated, the Twitter page is also updated and vice versa.

* Chesapeake Energy
  + 2,838 fans/likes
  + Twitter and YouTube links
  + Updated regularly
  + Includes photos of activities
  + Uses as Q and A forum and recruiting tool
  + Publicly recognizes employee achievements
  + Engages in energy debate

Chesapeake Energy is using their page in a slightly different way than the Pickens Plan, but it is seemingly equally effective. The Chesapeake page behaves more like a personal page than a corporate/cause page. The page contains personal responses to questions rather than talking points, they have posted pictures and stories about employees and operations and it is updated with inspirational quotes and news stories. Unlike the Pickens Plan, whose sole focus encourages debate, the Chesapeake page appears to encourage conversation by participating directly rather than monitoring.

Like the Pickens Plan, Chesapeake is active on Twitter and quickly responds to questions and comments.

**Lessons and Opportunities**

Looking at the sites there are a few basic things to learn. First, if a company does not actively maintain its presence on Facebook, it is likely that a “Community Page” will appear with or without them. In the case of El Paso, ConocoPhillips and ExxonMobil, these pages have been formed regardless of a maintained site or not. However, it is certainly better to control the content than to leave ones profile to the tide of public opinion.

Community pages are formed when Facebook notices a trending topic. The goal of the page is to be a repository of information on said topic (food, idea, company, product, etc.) Users who want to discuss the topic are directed to this page. In the case of ExxonMobil, they do not have a maintained presence on Facebook, however there is an ExxonMobile community page that collects mentions of the company and displays them; the majority of these comments/mentions are strongly negative. Second, Facebook can be an excellent tool in different, but related, ways. In the case of the Pickens Plan; the organization has used the page to recruit, encourage discussion and post emerging news about the “social movement.” They have a large base of support online and the ultimate directed destination on the page is the Pickens Plan website. It is important to note that both the Pickens Plan and Chesapeake Energy, the two most successful users examined, use multiple, linked platforms and update the content daily.

Facebook is a way to reach very large groups for incredibly low cost. The page is free, updating is free; the only cost is manpower to maintain it. It is difficult to draw a direct fiscal benefit form the program, but the profile that can be cultivated is priceless. If used as a tool to engage customers, recruits and the community, Facebook offers the opportunity to grow the value of the El Paso brand.

**Recommendations**

Currently, El Paso is on the right track with its Facebook page. However, there are improvements that can be made that would dramatically increase the value and expand the conversation.

1. **Update content regularly**: The Wall Street Journal would not sell with yesterdays headline. In the same way, stale content can only hurt.
2. **Link to other social media platforms**: Each platform has its advantages and disadvantages and each platform has its fans and detractors. To compensate for this and to expand the reach of the brand and profile, content needs to be shared across different platforms. The El Paso community relations blog receives a low level of hits a month, but the profile of the Facebook page is growing. It is possible to transition some attention to the blog and its unique content through the Facebook page.
3. **Utilize Facebook features**: Chesapeake regularly updates its photo albums and provides a face to the organization. This feature is free and El Paso takes photos.
4. **Participate regularly**: Both Chesapeake and the Pickens Plan actively engage people on their pages. This encourages discussion and conversation.
5. **Include link in emails, on press releases, brochures and most literature.** It is difficult to increase an online profile if it is not publicized.

**Overview of Twitter**

* 105 million registered users
* 180 million monthly unique visitors
* Adding 300,000 new users per day

Twitter is the most utilized micro-blogging platform in the world. The character limitations placed on the messages leave the page less content heavy. A twitter page does not require constant upkeep in the same way as Facebook, however Twitter does require monitoring and fresh content.

Because of the content restraint, Twitter is best used as a way to link individuals to unique content at a stronger location. Ideally, new content would be added to the blog or Facebook page and a link would be placed on Twitter with a basic description of the content.

A twitter page should be used as an outlet to grab viewers. Unlike Facebook, very little personal (corporate) information is placed on the page. The companies in El Paso’s peer group use twitter to follow associates, competitors and individuals. It is worth pointing out that of the 20 companies in the chart above, only seven do not have a presence on Twitter.

Of the companies in the peer group chart, there are two types of Twitter users: active users and placeholders. Chesapeake, as mentioned above, integrates their Twitter feed into the rest of their social media platforms. Apache, however, has reserved the names of a variety of Apache related products and leaves them blank. Apache approaches Twitter they way one would reserve a domain name.

**Recommendations**

Currently, El Paso does not utilize Twitter. This is a unique platform and is light on content, but heavy on direction and engagement.

1. **Create an El Paso Twitter page.** It can be used to follow vendors, engage recruits, communicate in times of crisis, link to heavier content and serve as a tool to drive hits at other locations. Twitter is a vital part of a “traffic loop.”
2. **Update Regularly.** Like on Facebook, stale content drives nothing.
3. **Integrate into other social media.** Hits on Twitter can drive hits on other platforms and vice versa.
4. **Actively engage users.** Respond to questions and conversations directly and promptly.

**Blog**

The El Paso Community Relations blog stands as a strong piece of the traffic loop. This platform can host more content than Facebook and Twitter. Currently, the blog is on the right track; it is just underutilized. The content currently hosted is a good mixture of information about El Paso. As far as the blog is concerned, there are only a few changes that could be made.

**Recommendations**

1. **Change the blogging platform from blogger to wordpress**. The blogger platform is very basic. Wordpress offers amenities that Blogger does not; the wordpress dashboard shows number of views per day, allows the host access to comments before they appear (as does blogger) and has a much easier customizable format. Moving platforms does not mean loss of past content. It is advisable to move archived content from the blogger platform to wordpress, it shows the history of the publication and the work put into it.
2. **Update regularly**. This recommendation applies to all social media. The current content on the blog is good. The blog can be utilized to take some internal stories and make them a bit more public. Use the blog to expand upon Facebook topics and stories.
3. **Link to other social media platforms.**
4. **Be purposeful.** Simply using the platform does little without a goal.

**Thoughts**

The most obvious and recent issue at hand is the BP oil leak. Until a few weeks ago BP’s social media use was lagging. Beginning April 23, three days after the explosion, BP launched efforts on Facebook, Twitter, Flickr and YouTube to be more open about the issue and its efforts. BP has been given great reviews on its use of social media during this crisis. However, no amount of social media will negate the terrible issue at hand. Social media can be used, like BP is doing, to give an unfiltered, company version of the facts and to respond to questions and criticism.

The difference between this situation and what social media can do for El Paso is the fact that El Paso has the opportunity to be proactive about its reputation. Before this spill BP had done little to enhance its image, their efforts are reactions. They were known for explosions and leaks before April 20. However, El Paso has the opportunity to cultivate a reputation of honest response to honest concern and to do it on El Paso’s terms.

There are many goals to the use of social media. It can be used as a recruiting tool, a way to garner media attention and a way to respond to questions, comments and crisis. It is essential to develop a reputation and a conversation now, when everything is progressing smoothly. As mentioned previously, the online face of a company is its “front door” to the coming of age generations. In the case of an emergency it is very likely that individuals will turn to the online presence of the company to actively learn more and become engaged. As of May 25, the Deepwater Horizon Response Facebook page has over 24,000 people paying attention to it. At this point it is too late to develop a trusted reputation. It is by engaging individuals during times of relative calm that reputations are developed.

These recommendations are by no means the ultimate form of the strategy. As El Paso develops it profile, we may choose to expand the goals of the platform. The options and directions are limitless. Photo sharing sites and professional social networking are places that we can go.

Three things to consider (written by Bill Handy):

* Why am I doing this? What is the larger goal or objective?
* If we are successful, what type of responsibility do we have to our created community?
* What does this community look like?

**Flow Chart**