# SOCIAL MEDIA – a crisis communication tool

A case study of three companies within the oil and gas industry on how to implement social media in the crisis communication response



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"The only way to put out a social media fire is with social media water!"

- Ramon DeLeon, Marketing Mind at Domino's Pizza

# ABSTRACT

In this study the emphasis has been on the increasing importance of social media to businesses, and how it can be utilized as a communication tool in crisis response management. The argumentation has been that social media has brought down old media barriers by making the stakeholders more informed and empowered, which has further contributed to shifting the control of company's public reputation from the corporation itself to the control of social media forums. Unlike traditional mainstream media, social media is a democracy, and companies who attempt to control the information flow will fail, by appearing dishonest and secretive. The total effects of social media on businesses are still unknown. This study thus highlights the degree of uncertainty concerning challenges and possibilities associated with communication amid stakeholders through these channels, and the lack of sufficient research within crisis management on this particular field. The aim of the study was therefore to examine how social media can be used as a means to help restore the company's reputation and public image post-crisis.

When conducting a case analysis by assessing and comparing the crisis response efforts of three American oil and gas companies, we were able to identify differences in successful managing of social media communication. The lessons taken from the three companies' communication efforts through social media were the basis of the final proposition and recommendations on how social media can be implemented into the crisis response plan.

**Keywords:** Crisis communication, Crisis management, Communication, Social media, Corporate reputation, Stakeholder relations

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Enjoy the reading.

Copenhagen, July 14, 2011

Maren Løwén Heradstveit

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# **1.0 INTRODUCTION**

#### 1.1 Introduction to the topic

"To stand up and admit your mistakes makes you trustworthy and it makes the audience believe that you also in the future will fix your mistakes" (Jeff Jarvis, 2009; 111)

If a company experiences a large crisis, there is no getting around it: the company will suffer, and things might never be the same post-crisis. The important thing is that instead of seeing the crisis as a defeat, the company should recognize it as an opportunity and find the best possible way out of the crisis with its reputation and brand image intact. In accordance to the statement by the American scholar and author Jeff Jarvis, knowing how to communicate with stakeholders could be crucial for a corporation struck by a crisis, no matter how severe the situation might be.

# 1.2 Background and research question

The problem area for the thesis derived from our interest in crisis management, and we wanted to uncover an angle that had yet to be explored. When investigating the existent literature on crisis management we discovered a new phenomenon within the field that we saw could need a deeper investigation and better understanding; namely the use of *social media* as a means to communicate with stakeholders.

Much research has been done within the field of crisis management and how to best deal with crisis communication, especially after many incidents with major corporate crises during the 1980s and 1990s (e.g. ExxonValdez<sup>1</sup> and Johnson&Johnson's Tylenol<sup>2</sup>). After these incidents, waves of scientific journals were produced to emphasize the importance of good crisis management planning and correct crisis communication (e.g. Exxon was particularly brought up as a company that handled its crisis poorly, whilst Johnson&Johnson often has been mentioned as

<sup>&</sup>lt;sup>1</sup> For information about the Exxon Valdez crisis: <u>http://iml.jou.ufl.edu/projects/spring01/hogue/exxon.html</u>

<sup>&</sup>lt;sup>2</sup> For information about the Johnson&Johnson Tylenol crisis: http://iml.jou.ufl.edu/projects/spring01/hogue/tylenol.html

a "best practice" example for its handling of the Tylenol-crisis). Knowing how to deal with a crisis and plan for it in advance has become a vital part of organizations' strategy plans. In fact, crises have become such a major part of the corporate reality that organizations should no longer ask the question "*whether*", or "*if*", a crisis will occur, but rather "*when*" a crisis will occur.

In the traditional crisis situation, the organization was said to have approximately 48 hours to act (e.g. in the form of taking action, giving out a press release/corporate statement or holding a press conference) after a crisis occurred (Virtual Social Media, 2010). The 21<sup>st</sup> century's "Web 2.0"-world<sup>3</sup>, however, has brought new challenges to crisis communication. In the online sphere the speed has increased tremendously, information spreads within seconds, and the initial 48 hours is now reduced to less than an hour. With help from the extended network of social media, a negative posting or rumor about a brand or a company can within hours turn into a full-blown crisis; which companies such as Domino's Pizza<sup>4</sup>, Dell<sup>5</sup> and Nestlé<sup>6</sup> have all recently gotten to experience first-hand. The challenge of *urgency* has thus gotten a new-found emphasis. To our knowledge, little research has yet been done within this field and most companies today are lacking the right knowledge and are thus unprepared to deal with social media when it is needed the most.

Based on the problem area just discussed, we have formulated the following research question, which will serve as the basis for this thesis:

"How can companies of the 21<sup>st</sup> century utilize social media as a communication tool when dealing with stakeholders in a crisis situation?"

By conducting a case analysis of three different companies we hope to reveal some common traits and, based on those, find answers to the research question.

<sup>&</sup>lt;sup>3</sup> Web 2.0 will be described in the Literature Review

<sup>&</sup>lt;sup>4</sup> For information about the Domino's Pizza crisis: <u>http://www.imediaconnection.com/content/26378.asp</u>

<sup>&</sup>lt;sup>5</sup> Dell experienced a wave of negative publicity and anti-Dell campaigns online from angry customers in 2005; ended with the company reinventing and restructuring itself to fit the new online "daily-life" and give its customers the service they wanted and needed. More information about the Dell crisis can be found in the book "What Would Google Do?" by Jeff Jarvis (2010)

<sup>&</sup>lt;sup>6</sup> For information about the Nestlé crisis: <u>http://thenextweb.com/socialmedia/2010/03/30/data-nestle-crisis-real-social-media-buzz/</u>

#### 1.3 Rational behind the thesis

The main goal of this research paper is to highlight the increased importance of social media to businesses. We argue that the emergence of social media we have witnessed in recent years has brought new challenges as well as possibilities for crisis management. The thesis thus aims to examine how companies can utilize and incorporate social media into its crisis management plan as a tool for communication with its most salient stakeholders.

The objective for choosing this subject is that it is contemporary and highly relevant in society today. The subject of social media in relation to crisis is fairly new, although its development has been tremendous. With such a high-speed development there has not been much time for proper research and the common company and man is still lacking the right knowledge on how to handle the new obstacles of the "Web 2.0"-community.

We will base our assumptions and claims on existing theories on the topics of crisis management, communication and crisis communication in particular, together with other related theories such as corporate social responsibility and stakeholder theory. For our analysis we will examine three individual companies within the oil- and gas industry in the United States. By assessing the crisis response and communication efforts of each of the three cases and compare them, we hope to reveal differences in their approaches; which eventually will be used as basis for our final proposition on how social media can be implemented into the crisis response plan.

#### 1.4 Scope and delimitations

This thesis aims to investigate how social media can be utilized as a communication tool when dealing with a crisis, from a corporate point-of-view. The research is based on case analysis of three major oil- and gas companies in the United States. The analysis was delimited to one single industry to get as much homogenous cases as possible for comparison reasons; hence, aiming to make our research as reliable as we could. The reasoning for choosing this specific industry was that companies within the oil and gas industry have seldom engaged in direct stakeholder communication (except with shareholders and investors); nonetheless, most of these companies have now established its own corporate presence in the social media sphere, e.g. Blogs, Twitter and Facebook; and to our knowledge, little research has yet been done here. The oil- and gas industry is a fairly distinctive industry being characterized by a few major players; close

proximity to governments; much regulation; power; and little transparency, opening up for more issues than many other industries might experience. Further, the industry tends to be under a lot of scrutiny, from governments as well as stakeholders, and the companies within the industry usually work hard in order to save face and presume a positive corporate image (ref. section on CSR). The companies of Chevron, BP and PG&E were chosen since they recently have experienced (or are still dealing with) a major crisis and engaged in social media activity.

We understand that by narrowing our research down to *one* single industry in *one* single country will make it difficult to generalize the findings to other industries in other parts of the world. Nonetheless, we hope our research will contribute to a deeper understanding of the challenges and possibilities concerned with crisis management in the world today, and open up for further investigation and emphasis on the subject.

Note that this paper will only focus on social media from *a crisis management/communication perspective* and will not look into other possibilities of social media utilization for companies or individuals in general (e.g. marketing purposes).

# 1.5 Thesis outline

*Chapter 1* is designed to establish a broad understanding of the research field. The thesis thus starts with an introduction to the topic and the research problem, which leads us to the research question. The research question stated builds the framework of the thesis' structure: restricting the literature, structuring the analysis and discussion, and eventually leading us to the final conclusion and reflections. This section will further clarify the background and justification of the topic of crisis management and crisis communication combined with social media.

*Chapter 2* presents the theoretical framework selected in relation to our topic. The chapter attempts to clarify the environment and obligations the companies of the oil- and gas industry are obliged to follow, as well as elaborating on existing literature on crisis management and its insufficiency in the Web 2.0-world, thus justifying our research. The chapter is divided into three parts. First, we will start by looking into the evolution of corporate social responsibility together with stakeholder theory. This is done to get a better understanding of the industry in question and the responsibility the companies have to its stakeholders. Second, we will clarify and assess the current crisis management and – communication literature; building the basis for our discussion.

The third and last part of this chapter, will take a closer look at *what* social media is, in addition to its growing importance in society today.

*Chapter 3* describes our methodology and research design. The methodical approach will be presented in relation to our chosen method. We will here critically justify the reasoning and theory used for our analysis and case study approach.

*Chapter 4* contains our analysis and empirical findings. Here we will first present a thorough description and case analysis of each of the three companies' crisis; Chevron, BP and PG&E respectively. We performed a *discourse analysis* to assess and compare the three companies' communication efforts on social media sites and mainstream media, together with the stakeholder's communication throughout the crisis. The second section will thus present the empirical findings depicted from the discourse analysis. The aim of the analysis is to highlight what the companies actually communicated to their stakeholders throughout the period, and how this was received and perceived (positively/negatively).

In *Chapter 5* we will discuss the case analysis and empirical findings from the previous chapter in relation to the literature review. First, we present the main challenges the companies were facing during the crisis. Second, we will discuss the companies' crisis communication efforts in accordance to the existing theory by Coombs (2007) to find appropriate solutions to the challenges.

Finally, *Chapter 6* concludes our main findings before answering our research question by presenting some recommendations on how to apply social media efforts into the crisis communication plan. Lastly, we will highlight the limitations we have identified for our research in addition to giving suggestions for future research on the topic.

CHAPTER 2 -

LITERATURE REVIEW

#### **2.0 LITERATURE REVIEW**

The theory presented in this chapter will be the basis for the analysis, which will finally help us answering our research question. Although the main theory of this thesis is linked to crisis management and crisis communication, we also had to use other sub-theories to increase our understanding of the industry we are investigating and get a more holistic picture of the phenomena.

This chapter is divided into three parts. The first section, will describe corporate social responsibility and stakeholder theory. In the management research of the 21<sup>st</sup> century there has been increased attention concerned with sustainability as part of the stakeholder management process, this mainly due to its strategic importance for organizations operating in the contemporary marketplace (Gill, Dickinson & Scharl, 2008). The section aims to clarify the increased importance of CSR in business, the linkages to stakeholder theory, and finally, to get a better understanding of stakeholder relations by first defining the term of "stakeholder" and later explain how to identify the most salient stakeholder groups.

The second section looks into crisis management and communication – with main focus on crisis communication. Much research has previously been done within the field and the aim of this section is thus to elaborate and assess some of this research, and eventually emphasize why we regard this research as insufficient to managers today. The third and final section will dig into the evolution of social media by looking at its fast development and increased importance in society today.

## 2.1 Corporate Social Responsibility & Stakeholder Theory

In order to understand the environment the three case-companies are operating in and the foundations of the relations they have with their stakeholders, one needs to start by looking into the evolution and increased importance of corporate social responsibility in addition to stakeholder relations. First, we will start by introducing the concept of corporate social responsibility (hereby CSR) and the basis for CSR engagement, before clarifying the concept of stakeholder and stakeholder theory.

#### 2.1.1 Defining corporate social responsibility

For an organization to be sustainable, it means bringing social, environmental, economic, and cultural considerations into the decision making process. The concept of corporate social responsibility takes into account the transparency of firms as well as stakeholder expectations, and further supports the notion that firms function better when they fuse together not only their business interests but also the interests of their stakeholders (Gill, Dickinson & Scharl, 2008; 244). Over the last decades there has been a significant rise in the focus on CSR and sustainability among companies. E.g. a 2004 research performed by Fortune Magazine found that 90 percent of the top 500 North American corporations had specific CSR initiatives in place (Gill, Dickinson & Scharl, 2008; 245). Increased globalization, changing social expectations and increased focus on global warming among other things, have largely contributed to this newfound focus of businesses. CSR can be defined as "the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioral disposition with respect to the fulfillment and achievement of these roles and relationships" (Basu&Palazzo, 2008; 124).

Today, companies that fail to meet society's expectations to environmental responsibilities will most certainly be criticized or receive negative publicity from environmental organizations, the general public, governments, as well as the media. Rolland and Bazzoni (2009) stated that online communication technologies have clearly had an impact on the traditional notions of the CSR function and the business-society relationship. The increased accessibility of information, particularly through the evolution of the Internet, has contributed to making the stakeholders more empowered and informed by making it easier for people to share information. With more information available, several corporate scandals have been revealed publicly, which have further contributed to the establishment of CSR as part of corporate strategy. Research has found that many stakeholders base their perception of a company on information found and given to them online; hence, it would be unwise for a firm to try and mislead its stakeholders. Comprehensive and truthful reporting is vital for a firm in order to manage its corporate reputation (Gill, Dickinson & Scharl, 2008). Corporate *transparency* and social contribution (Gill, Dickinson & Scharl, 2008).

#### 2.1.2 The basis for CSR engagement

As one will recognize, companies' CSR engagement may not always be voluntarily; on the contrary, the change in social expectations with a restored global focus on ecological sustainability have "forced" many companies into operating more environmental friendly and taking on more responsibility for society in general. This is especially the case with regard to the oil- and gas industry. Oil- and gas production leads to a high amount of pollution and contamination of the planet (especially if not controlled well enough and/or there is an accident; e.g. BP oil spill in the Gulf of Mexico), and the producers of oil and gas are thus by many being held responsible for much of the global warming. The companies within this industry have therefore been mainly "pushed" into focusing more on renewable energy sources and being more "environmental friendly". For instance, Patten's (1992) research found that Exxon's 1989 oil spill in Alaska (known as the "Exxon-Valdez" oil spill) had a profound impact on the environmental disclosure in annual reports of the other companies within the oil- and gas industry. The report further concluded that threats to a firm's legitimacy will contribute to an increased focus on social responsibility (Patten, 1992).

A type of CSR engagement is linked to when a company is faced with external criticism or negative publicity. In this situation the organization might engage in an exaggerated and positively loaded CSR PR-campaign, showing off its good deeds and commitment to society for its stakeholders, hoping to shift the focus of the company and its brand into a positive one. These type of company campaigns have often been referred to as *blue-* or *green-washing* (Gourville & Rangan, 2004); which we will see later is what Chevron was accused of doing when it released its "We agree" campaign in October 2010. The effects of these "green-washing"-campaigns are however questionable; in today's information society the public is not that easily convinced by flashy PR-campaigns and the effects of these campaigns have thus diminished significantly (Gourville & Rangan, 2004).

As we now have seen, CSR has become widely accepted in business as a means to respond to stakeholder demands. To get a better understanding of the relationship between organizations and their stakeholders, we now need to take a closer look into how to define who the stakeholders are and how companies engage with different stakeholder groups.

# 2.1.3 Introduction to the concept of 'stakeholders'

Today, the concept of stakeholders is widely accepted in the management and business literature, but the idea was first brought up by Freeman only three decades ago with his book "Strategic Management: A Stakeholder Approach" from 1984. He defined stakeholders as: "any group or individual who can affect or is affected by the achievement of the organization's objectives" (1984; 25). In short, stakeholders are individuals, organizations, or governments that have a stake or interest in a company, and are thereby affected by its operations and decisions. Freeman (1984) saw the "stakeholder approach" as an answer to the need for businesses to be more proactive to changes in their operating environments, and claimed the increased importance of stakeholders is linked to the concept of CSR. Based on this view, a firm can be seen as a sociopolitical institution where the lines between the business and its external environment are less distinct (Brønn & Brønn, 2003). Organizations have experienced, and continue to experience, dramatic role changes as important stakeholder groups "develop and modify their perceptions of the place and responsibilities of organizations in society" (Brønn & Brønn, 2003; 291). Companies now have to deal with public issues that arise when the public demand collective action and there are disagreements about the solutions (Eyeston, 1978).

## 2.1.4 Stakeholder management

In recent years, stakeholder theory has developed a focus on the importance of engaging stakeholders in long-term value creation (Andriof et al., 2002). The emphasis has been moved from a focus on stakeholders *being managed by companies* to a focus on the interaction companies have with their stakeholders based on a *relational and process-oriented view* (Andriof & Waddock, 2002; 19). According to Andriof et al. (2002), the stakeholder relationship is assumed to consist of *"interactive, mutually engaged and responsive relationships that establish the very context of doing modern business, and create the groundwork for transparency and accountability"* (2002; 9).

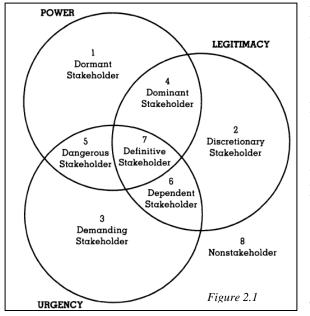
Organizations of today have recognized that stakeholders are essential to their organization's existence and the proper managing of stakeholders is thus of great importance. "Stakeholder management" refers to "the necessity for an organization to manage its relationships with specific stakeholder groups in an action-oriented way" (Brønn & Berg, 2005; 122). According to

Harrison and St. John (1994), stakeholder management includes communicating, negotiating and contracting, managing relationships, and motivating them to respond to the organization in ways that benefit it.

#### 2.1.5 Identifying the salient stakeholders

In the form of either an individual or a group, stakeholders represent different point-of-views with respect to an issue under consideration based on their relationship to the organization (Brønn&Brønn, 2003). Each stakeholder group will thereby have differing needs, and the company has to design messages suited for each one of them, and choose the appropriate medium to reach that particular stakeholder group. The company's communication efforts must reflect empathy for the perspectives of *ALL* the relevant stakeholders, and not a blind organizational ethnocentrism (Brønn&Brønn, 2003; 300). A firm might be perceived as unethical if it decides to ignore stakeholder claims simply because it does not serve its strategic interests. Stakeholder interests are thought to form the foundation of corporate strategy itself, representing 'what we are' and 'what we stand for' as a company (Berman et.al., 1999).

Mitchell, Angle & Wood (1997) proposed that the stakeholders could be identified by their possession or attributed possession of one, two or all three of the attributes of: (a) the stakeholder's *power* to influence the firm; (b) the *legitimacy* of the stakeholder's relationship with the firm; and (c) the *urgency* of the stakeholder's claim on the firm (1997; 854).



Nonetheless, it is eventually the firm's managers who will determine which stakeholders that are salient and the company will pay attention to.

In their research paper, Mitchell, Angle & Wood (1997) categorized the stakeholders into eight groups based on their attributes (see Figure 2.1): Dormant, Discretionary, Demanding (*Latent* stakeholders); Dominant, Dangerous, Dependent (*Expectant* stakeholders); Definitive- and Non-stakeholder. Any expectant stakeholder can become definitive if given the missing attribute. E.g. many

of the stakeholders in the Chevron-Ecuador case had urgent and legitimate claims (i.e. the indigenous groups of the Ecuadorian Amazon), but they had little or no power to enforce their will in the relationship. To satisfy their claims towards Chevron these stakeholders had to rely on the advocacy of other, powerful stakeholders (i.e. voluntary American lawyers and environmental action groups). The stakeholders for the three case companies will later be identified in the methodology chapter.

We have now looked at the evolution of CSR and stakeholder theory in order to get a deeper understanding of the environment the companies are working in and the responsibilities they have towards society and the people in its vicinity. The next section will take a closer look at crisis management and crisis communication, and assess the fitness of previous research to the new challenges we experience in society today.

#### 2.2 Crisis Management & Crisis Communication

#### 2.2.1 Background

Organizations have been responding to crises for many years, but the organizational crisis management is a reasonably new field for both academic study and professional practice. The crisis management response began to appear in literature in the late 1970's and expanded when crises like the Bhopal disaster, Chernobyl accident and the Exxon Valdez oil spill occurred. The 20<sup>th</sup> century crises were mainly caused by human missteps or natural causes (e.g. hurricanes, earthquakes, tsunami etc.); however, with the start of the 21<sup>st</sup> century came a new type of crises which were no longer accidental or unintentional but *intentional*, i.e. done deliberately. With the September 11, 2001 terrorist attacks and later the Enron-case, the world woke up to a new reality filled with terror, uncertainty, deceit and sociopaths engaged in fraudulent- and manipulative practices. These crises are impossible to predict albeit crucial for corporations and governments, as well as individuals, to be prepared and plan for.

In earlier years, companies sent its stories to the regional newspaper or TV channel, and these decided whether or not it was a good story. Then if the company was hit by a major crisis, which it knew would make the newspaper headlines, it usually had a critical 48 hours to come up with a crisis response plan (Virtual Social Media, 2010). During the last decade, however, Internet has given crisis new ways to spread virtually, and thereby revolutionized how people respond to a

crisis. Today, news travels easily through TV, mobile phones and PCs to all over the world in just a few seconds, and a crisis response thereby needs to happen in real-time as well. For instance, the Australian airline company Qantas recently experienced an explosion in one of its airplaneengines during a flight, and it had to make an emergency landing. Before the plane was safe on the ground, a passenger had already posted pictures of the broken engine on Twitter<sup>7</sup>, and within minutes the picture and story had spread globally. As this example highlights, it has become extremely important for organizations to respond as quickly as possible, and communicate to their stakeholders by using digital technologies like web sites, interactive chats, and videos.

#### 2.2.2 What is a crisis? And why do we need crisis management?

Several authors have defined a crisis over the years, and many claim that there are as many definitions as there are crises. We have chosen to use the definition by Coombs (2007), which states the following:

"A crisis is the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organization's performance and generate negative outcomes" (2007; 2-3).

A crisis is not necessarily just a factual event; it can also be a natural disaster, or a rumor at the organization. The link between the different crises is that all of them can create material losses, injuries and fatalities. However, it does not matter what kind of crisis the organization is dealing with as long as the proper crisis management plan is in place. All organizations must be prepared for a crisis, because "*no organization is immune to crisis*" (Coombs, 2007; ix). It is no longer enough to just consider "if" a system will fail but rather "when" that failure will occur (Smith, 1990). After the organization has accepted that it most likely will face a crisis at some point, the next step is to figure out how to cope with such a situation, and further how to prevent them (Smith, 1990).

This is where crisis management steps in. "Crisis management seeks to prevent or lessen the negative outcomes of a crisis and thereby protect the organization, stakeholders, and industry from harm" (Coombs, 2007; 5). When managing a crisis, the overall goal is to minimize the

<sup>&</sup>lt;sup>7</sup> For more information about the Qantas- incident:

http://www.newsmeat.com/news/meat.php?articleId=86190079&channelId=2951&buyerId=newsmeatcom&buid=32

damage conflicted. The company needs to evaluate the crisis situation, understand what is asked for, and act in the most appropriate manner. Crises can also violate expectations stakeholders have about your company, which can threaten the relationship between the organization and the stakeholders (Coombs, 2007).

Thus, how an event is perceived and how it affects the people linked to an organization, both individually and as a group, will determine whether or not it is classified as a crisis and how it is subsequently handled. Pearson & Clair (1998) argues that organizational crisis are believed (1) to be highly ambiguous situations where causes and effects are unknown; (2) to have a low probability of occurring but, nevertheless, pose a major threat to the survival of an organization; (3) to offer little time to respond; (4) to sometimes surprise organizational members; and (5) to present a dilemma in need of decision or judgment that will result in change for better or worse (1998; 60). Further they argue: "an organizational crisis is a low-probability, high impact situation that is perceived by critical stakeholders to threaten the viability of the organization..." (Pearson&Clair, 1998; 60), and when stakeholder's expectations are infringed, they may perceive the organization less positively (Coombs, 2007). Crisis management is consequently a guide in this process.

#### 2.2.3 The stages of a crisis

Many different stage-models on how to manage crises have been developed throughout the years. For instance, Fink (2002) used a four-stage model, while Mitroff & Pearson (1993) and Coombs (2007) both used a three- stage model. Although, most crisis description models consist of 3 stages: pre-crisis, crisis event, and post-crisis (Coombs, 2007).

In the *pre-crisis* stage, organizations have to establish a crisis management team to be in charge of the situation. This team monitors the environment, and establishes information/warning systems in order to create crisis related knowledge that is used to guide decision-making and create messages sent to various stakeholders (Burnett, 1998). A typical crisis requires a large amount of information because initially little is known, it is a rapidly changing situation, and often the changes in the situation are more random than predictable (Coombs, 2007; 113). When the crisis then occurs, the crisis team should evaluate the company's response, try to avoid negative publicity and targeting messages (Burnett, 1998). In the *post-crisis* stage, there is often

an attempt to assign blame and search for scapegoats in order to legitimize operating procedures and managerial styles. This phase can be seen as a crisis of legitimization, where the organization seeks to restore external confidence in its managerial structure and operating system (Smith, 1990).

Within these three stages we can recognize sub-stages. Consequently, Calloway & Keen (1996) has developed a 5-stage model for crisis response, where each stage may be passively or actively handled; 1) *Recognition* – when someone is alerted or recognizes that something is happening, and make sure that the organization is noted; 2) *Mobilization* – the first actions after the crisis is observed; 3) *Anchoring* – establishes key contact points where people can get information about plans and actions; 4) *Warranty and sourcing* – decides who to be the spokesperson on behalf of the organization, and who provides expert opinions; and 5) *Channeling* – the process where new information moves to and from the announcers and to and from the sources.

Every crisis situation remains complex, and it is often difficult to follow certain steps in the crisis management process. The best thing during a crisis would always be to "do the right thing"; after all, even the best crisis management plans tend to get waylaid in times of genuine crisis (SanJose.com, 2010). Many crises will turn out to be very complex, where "doing the right thing" is difficult or impossible to accomplish. In those situations it will be crucial to have a proper crisis management plan so the organization efficiently can gather information and processing it in a responsible manner. In certain cases, the crisis is too complex for the organization to handle alone, and governments might intervene to restore public confidence in the organization or the entire industrial sector. This may be the case when there is significant public interest, or where the government is the key regulator or operator (Smith, 1990), e.g. the BP oil spill in the Gulf of Mexico.

#### 2.2.4 Crisis communication

Before going into the concept of *crisis communication*, one needs to get an understanding of what is meant by the term *communication*. Littlejohn (2008) states; "*communication is one of those everyday activities that is intertwined with all of human life so completely that we sometimes overlook its pervasiveness, importance and complexity*" (2008; 2). Many scholars have attempted to define the concept of communication, but being one of the most overworked terms in the

English language it has proved almost impossible to find a scientific explanation for it (Littlejohn, 2008). For this paper we have chosen to use a working definition of communication by Griffin (2009): "Communication is the relational process of creating and interpreting messages that elicit a response" (2009; 6). Communication scholars believe that "words don't mean things, people mean things" (Griffin, 2009; 7); in other words, there is no basis for communication if there is no one there to receive the words and interpret them.

Communication is far from being a contemporary concept, however, with the developments that took place in the 20<sup>th</sup> century (e.g. rise of communication technologies such as radio, telephone, television etc., and the global industrialization) communication assumed an immense importance (Littlejohn, 2008). There has been a radical shift from a view of communication as *expressive* (i.e. a neutral conduit that transmits already formed selves and truths) to a view of communication as *productive* (i.e. an ongoing, generative process in which identities and knowledge are born and transformed) (Kuhn & Ashcraft, 2003; 39). According to Craig (1999), communication is "… not a secondary phenomenon that can be explained by antecedent psychological, sociological, cultural, or economic factors; rather, communication itself is the primary, constitutive social process that explains all of these other factors" (1999; 126).

*Crisis communication* can thus be described as communication that companies use before, during and after a crisis, and it can be of great strategic importance to a company. If the media is able to communicate news the instant it happens, then a company must be prepared to respond almost as fast. The incapability to communicate a message skillfully during a crisis can be fatal (Fink, 2002). You should always be striving to manage the message, control and manage the communication, and to control and manage the crisis (Fink, 2002). Crisis communication takes part in all stages of crisis management, and it is therefore a crucial tool in reaching the goals that crisis management aims for. There are some groups that specifically require special attention during a crisis: employees, customers, investors, government/community leaders, insurance companies/lawyers, and families of victims (Fink, 2002).

As Sandman (2006) argues, when people are appropriately concerned about a serious hazard, the task is to help them bear it and to guide them through it. In a crisis, people are genuinely worried and rightly upset. Coombs (2007) also mentions that this can apply to people who are

indisputably concerned without there being actual danger, since also perception of a crisis is enough for a crisis to follow. Sandman (2006) sees crisis communication as one of three quite separate risk communication traditions: "precaution advocacy", when people are insufficiently concerned about serious hazard and the mission is to warn them, "outrage management", when people are exceptionally concerned about a small hazard and the task is to reassure them, and last is when people are appropriately concerned about a serious hazard and you need to help them bear it and guide them through it (Sandman, 2006; 257).

Failure to respect the public is a consistent problem in crisis communication. When people come up with their own precautions, official reactions tend to be patronizing or hostile (Sandman, 2006; 259). It is really important for communicators to listen to the public in order to foster trust and reliability. If people believe in your company before a crisis occurs, it is more likely that they will have faith in getting the problem fixed without large complications. Consequently, the goal of crisis communication is not merely to calm inflamed concerns of the stakeholders. It is to inform the public so that they can have a more rational view on the decisions made during the crisis (Brønn & Berg, 2005). Trying to keep information from the public will most likely backfire and lead to a cycle of vicious nature. Understanding and empathy go a long way, but in the end it is the facts that make you succeed (Brønn & Berg, 2005).

With the rise of social media (e.g. Facebook, Twitter, and YouTube), as we have noted, news travels faster than ever. Consequently, organizations should consider the role the Internet might play in a crisis response. Organizations that bring in new media tactics and engage the public in proactive discussions before, during and after a crisis exemplify an important movement from one-way communication to two-way interaction between the public and an organization (Perry, Taylor & Doerfel, 2003). Gonzales-Herrero and Pratt (1996) suggest that organizations' crisis communication should be open and cooperative with the public before it finds itself in a crisis. When a company is viewed as proactive and engages in two-way communication with its public, it can minimize the risk of being perceived as guilty (Gonzalez-Herrero & Pratt, 1996). This means that crisis communication is of strategic importance to an organization. Not only can crisis communication be a sort of damage control during the crisis, it can also have a prevention role in updating the knowledge base after the crisis. Therefore, crisis communication plays a central role during all phases of crisis management.

#### 2.2.5 Critique of the current crisis communication theories

There is written a lot about crisis management and crisis communication, but the main critique is the oversimplification of a crisis situation. It is important to consider the fact that crises are intrinsically unpredictable, chaotic events, and every crisis is a unique event that can be expected to evolve in unexpected ways (Seeger, 2006). This makes crisis management theory less useful in real-life than what we might want it to be. The reader may fail to notice that the theories are not so much best practices as they are inspirational goals. Thus, it is worth the effort to keep trying to come up with the best plan for your company (Sandman, 2006).

Another major critique is the lack of intercultural sensitivity. Crises are universal in nature and affect people from all cultures (Dykeman, 2005). Especially for companies operating in the global market place, where this global context is important, yet ignored. For instance, a crisis situation in Europe has other consequences than a crisis situation in Asia. This is due to practical matters, but also culture and its influence on people's behavior, which is something companies need to consider before it creates a crisis communication plan. Globalization also extends the influence of corporations' policies and risks (Calloway & Keen, 1996), which means that a local crisis can now become a global crisis. It is therefore critical that the Internet is used as a key method for communicating to the public as a part of the crisis management plan (DiNardo, 2002). People all over the world can be affected by your crisis, and online communities can therefore be an ideal tool to communicate crisis management efforts because it enables organizations to reach a large audience. By using Internet for two-way communication, organizations can both become information providers, and share knowledge in order to mutually understand, and further develop solutions together (DiNardo, 2002).

Although the importance of the Internet as a communication channel has been acknowledged, current research within the field of crisis communication has yet failed to capture the essence and obstacles related this source of communication. The next section will thus elaborate on the evolution and increasing importance of social media, especially as a tool within crisis communication.

#### 2.3 Social Media

## 2.3.1 The World Wide Web

"The medium is the message" – Marshall McLuhan (1964)

Internet or the World Wide Web was born in December 1990, and became publicly available in August the year after. Internet brought down previous boundaries, and made information more accessible to users. Now, 20 years later, it has become a phenomenon with an enormous social impact. 28,7% (1,9 billion people) of the world's population has Internet access today, which is an increase of 444,8 % since year 2000 (Internet World Stats, 2010). See **Figure 2.3**.

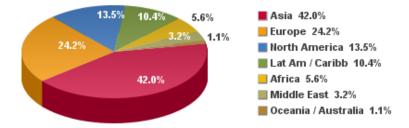


Figure 2.3 Internet users in the world, distribution by world regions - 2010

Web 2.0 is the second generation of Internet. According to Kaplan and Haenlein (2010) Web 2.0 could be explained as a new way in which software developers and end-users started utilizing the Internet after the dot-com bubble burst at the start of the 21<sup>st</sup> century. The second edition of the Web is a platform where content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion (Kaplan & Haenlein, 2010; 60-61). The new Web 2.0 content is designed to fit the users and should suit their preferences, thus the users are allowed to more freely contribute and edit the websites. This concept is called user generated content (UGC) and refers to material and information given on websites that has been produced by the users (Kaplan & Haenlein, 2010).

#### 2.3.2 What is Social Media?

Social Media is a concept, which has had an increased popularity and importance over the last decade, and many of us are now part of it in some way or another; but, what is it? And how does it differ from traditional media?

*Media* is the generic term for all human-invented technology that extends the range, speed, or channels of communication (Griffin, 2009; 312). Kaplan and Haenlein (2010) define *social* 

*media* as "*a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content*" (2010; 61). Social media could thus be described as a somewhat social instrument of communication. Unlike traditional media, social media is based on two-way interaction. It allows you to interact and share information with the other users. The interaction can take the form of commenting or voting on an article etc; or in a more complex manner, give you recommendations based on ratings from other people with similar interests as oneself (e.g. Flixster.com).

The start of the social media phenomenon came with the launch of the Blogs.com platform in 1999. The service was free and opened up for the public to produce its own personal online journals. Blogs made it possible for people to express their opinions, share thoughts, as well as report on happenings as they happened. For instance, in the early stages of the blog, during the terrorist attacks on the World Trade Center in New York September 11, 2001, many used their blogs to report on experiences, sorrows, and recent news and information to the rest of the online community (Løwe – Digital Blog, 2011). Since then, the press has learned to rely on the general public when looking for updates and happenings, monitoring the social media sphere closely at all times in search of today's news. The latest example of this was the reporting of the world's most known terrorist-leader Osama bin Laden's death. The operation had been top secret, and the press had no idea about the event prior to the U.S. President's press conference. Nonetheless, hours before U.S. president Barack Obama held his speech to inform to the world about the happening, the virtual community (Twitter and Facebook in particular) had been exploding with rumors about his death<sup>8</sup>.

The definition of social media is broad, and many different websites can thereby be categorized as social media. Kaplan and Haenlein (2010) classified six different categories: (1) *Collaborative projects* – enable the joint and simultaneous creation of content by many end-users, which could either take the form of wikis<sup>9</sup> (e.g. Wikipedia) or social bookmarking applications<sup>10</sup> (e.g. Deli.cio.us); (2) *Blogs* – (at first referred to as "web logs") represent, as aforementioned, the earliest form of social media. It is an online day-to-day journal usually managed by one person,

<sup>&</sup>lt;sup>8</sup> "How the Osama announcement leaked out", Media Decoder a New York Times blog by Brian Stelter: <u>http://mediadecoder.blogs.nytimes.com/2011/05/01/how-the-osama-announcement-leaked-out/</u>

 $<sup>\</sup>frac{9}{10}$  Wikis = websites which allow users to add, remove, and change text-based content

<sup>&</sup>lt;sup>10</sup> Social media applications = enable the group-based collection and rating of internet links or media content

but it also provides the possibility of interaction with others through the addition of comments and linking. Blogs have remained its popularity among social media users - a social media research done in 2010 showed that there were more than 200 million blogs on the internet, 54% compose blogposts daily, and 34% of these bloggers post opinions about products and brands (3CSI, 2010). Many companies have started to use blogs to update their stakeholders (mainly employees, customers, and shareholders) on corporate developments; (3) Content communities enable the users to share media content with each other (e.g. text, photos, videos etc.). The most known examples of content communities are YouTube (the world's largest video sharing site), Flickr (for sharing of photos) and Digg (for sharing of news). The high popularity of these communities have made them a very attractive channel for companies; (4) Social networking sites - enable users to create their own personal profile, add friends and colleagues, and then stay in close interaction with each other by sharing information, joining groups with common interests, commenting on each other's posts, or writing personal messages. The most profound examples of social networks are LinkedIn, Facebook, Twitter and MySpace; (5) Virtual game and (6) Virtual social worlds - These last two types of social media are based on platforms that replicate a threedimensional environment, and allow users to create its own personalized avatar<sup>11</sup> and thus interact with each other as they would in real life through them. The most popular virtual game world todate is "World of Warcraft", and "Second Life" is the most prominent example of a social virtual world. The common features of all the social media sites are that they all allow for: *participation*, openness, conversation, community, and connectedness (Mayfield, 2008). Social media is therefore not purely based on new and fancy technology, but it is based on the principles of human life, which might be one of the main reasons for why it has spread so quickly. By engaging in social media people can find information, inspiration, like-minded people, old friends, communities and collaborations faster than ever before.

The next section will take a closer look at two of the most important social networks in the world today: Facebook and Twitter.

#### 2.3.2 a) Facebook

**Facebook** is the largest social network site in the world today, and, as of 2010, the most popular site overall in the U.S., with the search engine Google as a close second (Daily Mail, 2011). The

<sup>&</sup>lt;sup>11</sup> Avatar = a graphical representation of a user or that user's alter ego

page was founded in February 2004 by four Harvard students, with Mark Zuckerberg in the lead. It was first intended to create a university-/college-network, but quickly outgrew the university campuses and is now a global phenomenon. Facebook's mission is to "give people the power to share and make the world open and connected" (Facebook, 2011).

Facebook has had a tremendous growth since the establishment. Some recent statistics about the website show that: the network has more than 500 million active users worldwide; the average user has 130 friends; the average user further creates 90 pieces of content each month; more than 30 billion pieces of content are shared each month (e.g. web links, news stories, blog posts, notes, photo albums etc.); people spent over 700 billion minutes per month on Facebook; and there are more than 200 million active users currently accessing Facebook through their mobile device (Facebook - Statistics, 2011). To get a better understanding of how gigantic this site has become: if Facebook was a country, it would be the third-largest country in the world, after China and India<sup>12</sup>. Experts believe the rise of Facebook can be attributed to people moving away from impersonal search engines like Google and seeking a more interactive online experience (Daily Mail, 2011).

#### 2.3.2 b) Twitter

**Twitter** is another fast-growing social network. Twitter was launched in June 2006, and serves as a "*real-time information network that connects you to the latest information about what you find interesting*" (Twitter- about, 2011). The Twitter-network is based on users sharing small pieces of information to their followers (maximum 140 characters), also known as "*tweets*". Although each tweet does not provide much information, the content can be of great importance, as Twitter states "*don't let the small size fool you – you can share a lot with little space*" (Twitter – about, 2011), and you can also link your tweet to e.g. a press release.

Per July 2011, Twitter had more than 200 million registered users; 155 million tweets were written per day; and the number of users increases by approx. 360,000 each day (Twitter – What is Twitter, 2011). By simply asking its users "what's happening", Twitter manages to spread the answer across the globe to millions, immediately. A 2011 report from Pew Research showed that 13% of Americans were tweeting, and more than 50% of these users access Twitter through a cell

<sup>&</sup>lt;sup>12</sup>The online world atlas: <u>http://www.worldatlas.com/aatlas/populations/ctypopls.htm</u>

phone (Huffington Post, 2011), and as much as 75% of the traffic came from outside Twitter.com (Business Blogs, 2010).

Twitter has established its own "Twitter for businesses", wishing to help connect businesses to customers in real-time. Businesses use Twitter to quickly share information with people interested in their products and services, gather real-time market intelligence and feedback, and build relationships with customers, partners and influential people. A research from October 2010 showed that "4% of the Tweets are connected to product recommendations/complaints"; equal to 2.2 million Tweets daily (3CSI, 2010), which exemplifies how important it has become for businesses to engage in Twitter as well.

#### 2.3.4 Social media in a business perspective

Social media allow firms to engage in timely and direct end-consumer contact at relatively low cost and higher levels of efficiency than what can be achieved with more traditional communication tools. Many companies have jumped on the social media-wave to take advantage of the new and interesting marketing and promotional opportunities it provides. The interactive

"Social computing is not a fad. Nor is it something that will pass you or your company by. Gradually, social computing will impact almost every role, at every kind of company, in all parts of the world" (Mayfield, 2008) media platform has opened up for new marketing and communication possibilities based on social interaction between individuals from which marketers can create and offer new individual value propositions better suited to their consumers (Mayfield, 2008). However,

many companies have recently gotten to experience first-hand that social media is not only a marketing and PR– haven; it is a place for people to interact and hence share their thoughts and experiences which may not always be positive to a company brand (e.g. Domino's Pizza, Nestlé).

Social media breaks with companies' traditional way of thinking, regarding who's influential or not; now anyone can be a major influence in the society. By sharing a bad experience online, the story can easily reach out to the masses. A research from 2010 revealed that 78% of consumers trust peer recommendations, while only 14% trust ads (3CSI, 2010). Additionally, when knowing how many people that is engaging in social media, it is not hard to imagine that the reach for information is tremendous. To make the information even more accessible, Google recently

implemented social media in its search results to bring "*real-time conversation to the front page*"<sup>13</sup> (Hines, 2010).

Social media allow for people to gather and create networks within hours, or even minutes, either with you or against you, and it is thus important to pay close attention and react quickly. Birgfeld (2010) assures that while social media has become the weapon of choice for angry masses, it is also the very best asset for crisis management. Company engagement in social media can be a great way of connecting with your stakeholders by listening to them, responding and providing customer service.

#### 2.4 Summary

Based on our research question, we divided the literature review into three sections in order to, first, understand the theories around CSR and stakeholders; second, to understand the theories about crisis management and crisis communication; and lastly, to understand the concept of social media. First, we defined the concept of corporate social responsibility. Some people argue that companies now have to focus on bringing social, environmental, economical and cultural considerations into the decision making process to be sustainable; while others claim that CSR is merely just marketing promotion or used as "show-off". In relation to this we introduced the concept of stakeholder theory and elaborated on how one can identify the most salient stakeholder groups of a company. Second, we used Coombs (2007) research to define the framework of crisis and crisis management, and further we looked into the theories of communication and crisis communication in particular. At last, social media was introduced as a new important communication tool for companies of today.

<sup>&</sup>lt;sup>13</sup> E.g. by adding a hash-tag (#) in front of a search for a brand name can reveal what is currently being discussed in relation to that brand.

CHAPTER 3 -

**METHODOLOGY** 

# **3.0 METHODOLOGY**

#### 3.1 Introduction

"Methodology is a higher order term that refers to the logical principles that must govern the use of methods in order that the philosophy/theory embraced by the approach is properly respected and appropriately put in practice" (Jackson, 2003; 43) This chapter will outline the methodological reflections and research design selected for this study. The purpose of this chapter is to critically reflect on the methodology chosen, where we attempt to justify our research method in light of alternative research design. Method can be understood as an improvement process

the researchers use to solve a problem (Mehmetoglu, 2004). Thus, how we interpret the data needs to be seen in accordance to the correct context and what is being said about the specific phenomenon we are researching.

We started the process by studying the different literature on the chosen subjects (crisis management/-communication and social media) and the sub-subjects (communication theory, CSR and stakeholder theory). Then we elaborated on the case companies and the course-of-happenings during the crises; next we looked at the companies' crisis response - evaluating their social media communication with their stakeholders; and finally we conducted a discourse analysis based on a picked sample of corporate statements and comments made by their stakeholders, which had been published in the critical time period of the crisis and in the aftermath for all three companies. The three companies' communication efforts were then interpreted and translated into themes. The themes of each of the three companies were then discussed in comparison to each other within the crisis communication framework, which eventually made the basis for our conclusions.

In this methodology chapter we will present and discuss the method we have employed in our thesis. The chapter is structured into three overarching sections. First, we will start by explaining the scientific direction of the social science we have chosen to investigate in our research strategy. Second, we describe the process of research where we address the research design, data collection and data analysis. Finally, we will explain the limitations and assessment criterions,

particularly in regards to reliability and validity. In this manner, the goal is to give the reader a deeper insight into the more practical approaches used while conducting the case study.

# 3.2 Research Strategy

The selection of research strategy has a profound impact on the validity of the study. The research design articulates the strategies through which empirical data will be collected and analyzed. It further connects the research question to the data, by which the research question should be tested (Punch, 2000).

#### 3.2.1 Choice of paradigm: Positivism versus Interpretivism

Research paradigm defines how to attain and use information. It involves what we consider as acceptable knowledge and functions as a guideline to reality (Bryman, 2008). Guba and Lincoln (2004) defined a paradigm as a method of basic rules and principles that guide the researcher through the researching process. In other words, the methodologies, practices and data analysis techniques chosen for the research will be dependent on the chosen paradigm. We will now take a look at the two most dominant types of paradigms within social sciences today.

The *positivistic paradigm* relates to science and scientific practices, and aims to generate measurable and generalizable facts. Positivism emphasizes the observed and proven, and research is used to create theories and laws in order to predict and control events; leaving no room for common sense. According to Mehmetoglu (2004), within the positivistic approach it is the researcher's duty to discover the actual act behind a human behavior. The *interpretive paradigm*, on the other hand, focuses more on understanding the views and acts of a person. Interpretivism distinguish between natural- and social sciences, claiming social science breaks from traditional natural sciences in that it is not based on laws and theories that aim to predict actions. On the contrary, the definitions of reality are created by people based on how they perceive reality, and these definitions are continuously changing through their interaction with others. Interpretive research is hence used in order to understand how people construct their reality, and to further understand how a group of people generate and sustain their 'meaning system'. People create theories based on what they perceive as common sense, and it is the job of the social scientist to

uncover this thought-trail interpreting meanings and actions based on their point-of-view (Mehmetoglu, 2004).

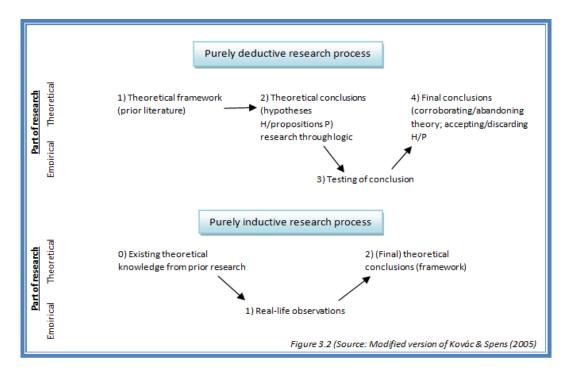
In accordance to our research question: "How can companies of the 21<sup>st</sup> century utilize social media as a communication tool when dealing with stakeholders during crisis?" we find the interpretive paradigm most suitable for our research. This thesis aims to uncover the benefits and challenges concerned with social media in an already critical situation, i.e. during a crisis. Social media is purely driven and empowered by humans with their thoughts, feelings, rationales and actions as the only guidelines. Especially in times of much distress, it is almost impossible to foresee human actions since they do not follow any rational traits or laws. In accordance to the interpretive approach, the researchers are required to immerse themselves into the situation, and try to understand it by becoming part of the phenomenon under study (Hathaway, 1995). To get an understanding of how companies can communicate with its stakeholders through social media we thus have to understand the rationales and reasoning of the people involved in the case; i.e. the company and its stakeholders.

#### 3.2.2 Choice of research approach: The deductive versus the inductive

There are two general approaches to reasoning which may result in the acquisition of new knowledge, namely inductive and deductive reasoning. The most distinct difference between the two approaches is the role of the theory versus the role of the data (Hyde, 2000).

*The deductive approach* is a theory testing process, which originates with an established theory or generalization, and further seeks to see whether the theory applies to specific examples (Hyde, 2000). Research following the deductive approach scans theory, derives logical conclusions based on this theory and presents these conclusions in the form of hypotheses and propositions, which are empirically tested and presented through general conclusions based on the corroboration or falsification of the hypotheses and propositions generated (Arlbjørn & Halldórsson, 2002; Kirkeby, 1990). Therefore, since the deductive research is most suitable for testing existing theories, we do not find this approach suitable for our research. The aim of our research is to critically reflect upon the crisis management plans in the three case organizations, where we analyze their crisis responses towards the stakeholders. The present theory seems

unable to cover all the problems that managers of international companies face today, and we believe it needs to be subject to alternations and improvements. The cases of BP, PG&E and Chevron are hereby used to reflect upon the theories and to analyze the respective crisis management plans. Hence, an *inductive approach* is used throughout the thesis. In the inductive research approach it is not necessary to have any knowledge about a general framework or literature (Alvesson & Sköldberg, 1994). Rather, inductive reasoning is a theory building process, starting with observation of specific instances, and seeking to establish generalizations about the phenomenon under investigation (Hyde, 2000). Following the lines of inductive reasoning, the cases can hereby help improve crisis management theory by adding theory about social media response during a crisis. The deductive and inductive research process is illustrated in **Figure 3.2** below.



Following an inductive research there are two essential steps that need to be followed: (1) detective work, which involves searching for patterns and consistencies of the phenomenon (Goetz & LeCompte, 1981); (2) the creative leap which is where the researcher breaks away from the known and describes something new. Data can be used to prove several theories as true; it is thus the researchers and not the data that generate theory. The usefulness of the theory therefore

stems from how well the detective work is done, followed by creative leaps in the desired direction (Mintzberg, 1979; 584).

#### 3.3 The research process

The research process consists of three phases: (1) structuring the research design, (2) collecting the data, and (3) analyzing the data (Mehmetoglu, 2004).

#### 3.3.1 The research design

The research design is concerned with turning the research question into a testing project. It thus describes how one chooses to collect the necessary data in addition to the analytical procedure that will be used to draw conclusions based on the information found. According to Hathaway (1995) researchers fall under three different categories: purists, situationalists and pragmatists. Whereas the *purist* believes quantitative and qualitative methods should not be mixed as each carries with it its own understanding of reality and knowledge; the *situationalist* thinks it depends on the research question asked and situation in question, although being open for combining the two; and the *pragmatist* aims to combine both methods as they serve to inform each other throughout the research process (Hathaway, 1995). If we were to define ourselves, we would probably be categorized as situationalist researchers. We do not believe there is any method that is better or more accurate than any other, and for this case we have chosen an exploratory approach, as we believe the research on the field so far has been insufficient, and hence more knowledge on the topic is needed.

## 3.3.1 a) Type of method

Research methods could be described as procedures and techniques to answer scientific questions and problems (Ringdal, 2007). We distinguish between two types of research methods: qualitative and quantitative. Whereas quantitative research is concerned with numbers (quantity) and distribution; qualitative research focuses on finding a deeper understanding of a social phenomenon and the rationales that lies behind it (Thagaard, 2003). This inclines that interpretation acts as a central element within qualitative research.

The topic under research in this thesis advocates the use of qualitative over quantitative data. More descriptively, a qualitative analysis is a process of examining and interpreting data in order to elicit meaning, gain understanding, and develop empirical knowledge (Corbin & Strauss, 2008; 1). Further it seeks to find conclusions, which account for the particulars in the cases. Qualitative research looks for depth rather than breadth, and instead of drawing conclusions from a large representative sample of interest, qualitative researchers seek to acquire in-depth and privileged information about a smaller group of people. Every human being creates meaning out of the context in which they experience it, and we subscribe different meaning into the same phenomena, based on our culture, our personality and our past experience. The aim of qualitative research is thereby to learn about how and why people behave, think, and make meaning as they do.

For this research paper we have chosen to perform a case study, which focuses on understanding the dynamics presented within single settings (Eisenhardt, 1989). A case study is an in-depth study of a particular incident, or a small number of instances. Further, case studies can be used to accomplish various aims like providing description, test theory, or generate theory (Eisenhardt, 1989). The case study provided in this thesis is based on a fairly novel area and the aim is to get a deeper understanding of the phenomena. The most proper method was hence a qualitative approach. Qualitative data can be conducted from interviews, observations, videos, documents, drawings, diaries, memoirs, newspapers, biographies, historical documents, autobiographies and so on (Corbin & Strauss, 1998); while case studies normally combine collection methods such as documentations, interviews, questionnaires and observations (Eisenhardt, 1989). We wanted to look at how the companies have responded to its stakeholders during and after the crisis. The way humans interact in the manner of communication is a complex matter in which a survey would not uncover the basic information. The best way would have been a mixture of both conducting interviews with company representatives and stakeholders, as well as basing it on publicly available documents. However, we recognized that it would be difficult to conduct interviews since the companies are located on the other side of the world, in addition to that they would probably withhold much of the information we needed for our research since the cases are quite complex and sensitive to the companies. Consequently, we have only utilized information and documentation publicly available online.

### 3.3.2 Collection of data

When conducting the research, we have used both primary and secondary information. There was a lot of relevant information about the case-companies publicly available online; on their own corporate pages; in addition to mainstream media and other journals. Our primary data consists of non-technical written information, such as the companies own websites, corporate blogs and postings on their official Facebook and Twitter pages, in addition to comments and postings made by its most salient stakeholders found on the same portals.

Secondary sources are information and data from academic books; scholarly articles; research journals within the relevant fields; blogs by acknowledged academics and journalists; and two documentary films - one based on the Chevron-Ecuador case ("Crude" (2009) by J. Berlinger) and the other on the BP oil spill ("BP – the Eye of the Storm" (2010) a production by BBC). The basis of our thesis is built upon theories depicted from acknowledged researchers within the respective field. For instance, Coombs' "*Ongoing Crisis Communication – Planning, Managing and Responding*" (2007) has been the starting point for the discussion about crisis management in the Literature Review. This book is used in nearly every article about crisis management and crisis communication. Coombs is also regarded as an expert within the field. Our research question implies that companies of the 21<sup>st</sup> century need to consider that there are other factors influencing the company's effectiveness in crisis management. These are however factors that Coombs (2007) fail to consider as important in his book.

#### 3.3.2 a) Sources used in the analysis

The Deepwater Horizon case and the oil spill in the Ecuadorian Amazon are both cases which have gotten a lot of attention and been tracked closely by the media. Thus, information was available in abundance. Among others, articles from the databases of renowned news media sources such as The New York Times, the Financial Times, CNN, Reuters and Huffington Post<sup>14</sup> among others, were used in the analysis. Although the PG&E crisis is smaller than the other two, the accident and the development afterwards has been closely tracked by the U.S. media; however, the amount of information available is much smaller. Nonetheless, mainly the same sources were used for the third case, in addition to more local California-based news agencies.

<sup>&</sup>lt;sup>14</sup> Ranked number 1 on the "Top 100 blogs" on Technorati.com (per June 15 2011)

When collecting data for the three cases and the analysis, samples of statements and postings were picked from both the companies themselves and its stakeholders on the sites of Facebook, Twitter, Blogs and mainstream media. Some of the blogs where found through Technorati.com, where the top ranked blogs are listed in different categories (e.g. Huffington Post). The search engines of Google and Factiva were used for information search, and our main search words were; "BP and Gulf of Mexico oil spill", "PG&E and San Bruno fire/gas explosion" and "Chevron vs. Ecuador lawsuit". Through these search words, we chose to read through approximately the 20 first sources, and through these sources we were linked to other relevant sources, a method known as snowball sampling (Goodman, 1961). According to this method, samples are collected until enough data is gathered in order to make useful research.

We decided to focus the search on corporate pages of Facebook and Twitter, when finding statements from the three case companies, and when we analyzed the response from stakeholders we used mainstream media in addition to social media portals. This was done in order to try and capture most of what was said among stakeholders during and in the aftermath of the crisis. The statements in the analysis were chosen according to relevance to the respective cases. The justification for picking out the single quotes was that they had to be directly regarding the case/crisis and with some relevance to the crisis response of the company (positive/negative critique). The stakeholders were chosen according to the justification of salient stakeholders in the "stakeholder theory", which will be described shortly. From this point we were able to find quotes from, for instance, the Government, environmentalist groups and residents.

Qualitative samples must be large enough to make sure that most or all of the perceptions that might be important are covered. However, if the sample is too large, data might become repetitive and unneeded. If a researcher remains faithful to the principles of qualitative research, one should follow the concept of *saturation* (Answers.com, 2011). Data saturation is the situation in which the data has been heard before. Based on this principle, we decided to base our data from the time of the accident and 3-4 months after. Thus, the respective crisis has a different timeline because of the scope of the crisis. We believe that we will be able to catch the most important aspects during this timeline, because it will grasp the progress from the crisis started and until the companies were able to maintain control. Again, as a means to avoid saturation of data, we aimed to find information that was evenly spread over the timeframe tracking the turn of

events (e.g. in the case of BP – we picked some information from April, May, June and July 2010). Note that the Chevron crisis with its length and complexity is slightly different from the two others. We limited the timeframe down to the release of the spoof "We agree"-campaign in mid-October 2010 to May 2011, capturing the period after the company was found guilty in the trial in mid-February 2011 and the response that followed in the proceeding months.

#### 3.3.2 b) Choosing the stakeholders

Before one can design the appropriate message, the stakeholders need to be identified. A large multinational company like BP has many different types of stakeholders, and in order to identify them we have chosen a *normative*<sup>15</sup> approach; which holds that "*managers ought to pay attention to key stakeholder relationships*". Moreover, to narrow it down, we will focus mostly on the ones that the management actually pays attention to; i.e. perceive as salient. We will thus use a *descriptive* theory of stakeholder salience, which aims to explain the conditions under which managers do consider certain classes of entities as stakeholders (Mitchell, Angle & Wood, 1997; 853). The amount of information available online, especially for the Gulf of Mexico oil spill and the Chevron vs. Ecuador lawsuit cases, is almost indefinite, and we thus had to delimit our sources of data to an absolute minimum, although trying not to delimit the diversity of opinions. The stakeholders were picked according to the salient stakeholder groups we identified by utilizing the "Stakeholder theory" by Mitchell, Angle & Wood (1997) (outlined in the Literature review).

The following stakeholder groups were identified of each of the three cases;

1) In the case of BP, we identified several stakeholders that were directly affected by the Deepwater Horizon explosion and the related oil spill in the Gulf of Mexico. First, the BP shareholders and U.S. Government have the possessions of power, legitimacy and urgency and can therefore be identified as the *Definitive Stakeholders*. The U.S. Government has been highly engaged in what is perceived as the worst environmental contamination on U.S. territory to date. Getting the situation under control as soon as possible was of high priority; the government has thus performed much power over BP's handling of the situation, and even obtained control over the communication from BP during the crisis. The relationship between the U.S. federal

<sup>&</sup>lt;sup>15</sup> Normative approach = Managerial relationships with stakeholders are based on normative, moral commitments rather than on a desire to use those stakeholders solely to maximize profits

Government is however reciprocal; BP and other oil companies are also highly dependent of governmental support in the countries they operate in order to get licenses for exploration etc. Second, federal bureaus responsible for regulating the industry such as the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE<sup>16</sup>), and the overall oil- and gas industry (competitors) possess power and legitimacy to affect BP's actions, and can therefore be identified as the Dominant Stakeholders. Third, the local communities of Louisiana, Mississippi, Alabama and Florida as well as the BP employees and their families, were deeply affected by the oil spill, but they lacked the power to exercise their claims and were dependent on the help from more powerful stakeholders such as the U.S. government. These can thus be categorized as Dependent Stakeholders because they are dependent on the actions of BP with high urgency and legitimate claims. Fourth, the U.S. Coast Guard, U.S. Fish & Wildlife Service and the Environmental Protection Agency (EPA) are all organizations that are dependent on urgency in their work to diminish the environmental impacts of the oil spill, but they do not possess power or legitimacy to exercise their will towards the company and can therefore be characterized as the Demanding Stakeholders. Finally, we have recognized that BP also has some Dangerous Stakeholders. These are, in particular, environmental activist groups such as Greenpeace. These environmental activist groups are stakeholders that can be dangerous to the firm by acting coercive and violent if they perceive something of not being right; in terms of demonstrations, barricades, hands-on action and the like.

2) The pipeline gas explosion in San Bruno did not affect as many stakeholders as the BP oil spill, despite the fact that there were 8 fatalities; purely due to less environmental damages. First, the *Definitive Stakeholders* in this accident are shareholders and investors of PG&E since these are in possession of power, legitimacy and urgency over the company, and were directly affected in terms of stock loss and a negative public image of PG&E after the accident. Second, the *Dominant Stakeholder* will in this case be the U.S. Government with its federal bureaus since it possesses power and legitimacy, and can thereby affect PG&E's decisions and actions with new regulations and law enforcements in the aftermath of the accident. Third, the San Bruno community, PG&E employees and customers are categorized as the *Dependent Stakeholders*. This is due to their dependency upon the company that provide them with gas and heating, and further, that this is done in a safely manner. Unfortunately, like the dependent stakeholders of BP

<sup>&</sup>lt;sup>16</sup> Bureau of Ocean Energy Management Regulation and Enforcement, Available at: <u>http://www.boemre.gov/</u>

they do not have the power to enforce their claims on the company. Similarly to the BP case, these stakeholders were dependent on help from federal and governmental agencies to enforce their claims. Fourth, we have EPA and the fire brigade, which in this case are the *Demanding Stakeholder*. These are both concerned about urgency in their work to deal with diminishing the initial damages as well as environmental issues related to the accident in the aftermath, and they are thus calling for immediate attention. Last but not least, are the *Dangerous Stakeholders*. In the case of PG&E it is not necessarily environmental activist that serves the biggest threat, but more activist groups that are anti-PG&E and might aim to do some more damage to the gas pipelines the company owns and cause more harm. We have, however, not succeeded in identifying these stakeholders.

3) The Chevron case with its pollution of the Ecuadorian Amazon has become very complex over the years. Nonetheless, we have been able to identify what we perceive to be the most salient stakeholder groups of Chevron in this case. First, the Definitive Stakeholders are, again, the shareholders and investors of the company. These stakeholders possess power, legitimacy and urgency, and the dependency between Chevron and the definitive stakeholders is reciprocal. Second, the U.S. Government and the Government of Ecuador are the Dominant Stakeholders since they both have the ability to affect Chevron in this situation by for instance, using law-enforcements and regulations. Third, employees, customers and the affected communities (i.e. indigenous groups) of the Ecuadorian Amazon are the Dependent Stakeholders. As previously noted, these stakeholders lack power, but will have urgent legitimate claims because they are dependent on actions that Chevron is taking. Thus, as previously mentioned, these dependent stakeholders will seek help from more powerful stakeholders such as the Governments and legal bureaus. Fourth, many NGO's, independent environmental groups and Hollywood celebrities have engaged in the Chevron case, and will therefore take the role as the Demanding Stakeholders. They have urgent claims for Chevron to take action, but do not possess either power or legitimacy to enforce their claims on the company. Finally, there is the Dangerous Stakeholders like Amazon Watch and Rainforest Action Network (RAN), which can be dangerous to the company by taking action that will affect the company's operations as well as people's perceived image of the company (which is exactly what happened with the "We agree"campaign). "Managers must know about entities in their environment that hold power and have the intent to impose their will upon the firm. Power and urgency must be attended to if managers are to serve the legal and moral interests of legitimate stakeholders" (Mitchell, Angle & Wood, 1997; 882).

To avoid saturation in the analysis we limited the amount of stakeholders down to three – four groups, and the quotes were picked from within the set timeframe, as previously noted. The individual stakeholder sources were picked from the companies' own social media sites; according to how engaged they were in the case (e.g. the U.S. Government in the BP-case and Amazon Watch in the Chevron-case); how much they were mentioned and quoted in the journalistic media; acknowledged news media sources (e.g. the Financial Times, the Wall Street Journal, CNN, the Huffington Post, the New York Times, LA Times etc..); and were involved in or affected by the case in one way or another.

#### 3.3.3 Analyzing the data

As previously stated, the research question will be answered by analyzing three companies within the oil & gas industry in the US. The cases were chosen in accordance to answering our research question in a satisfying manner. Even though we are analyzing three different cases, each case is treated individually. Meanwhile, each case's conclusion will be used to contribute to the whole study. Complex issues can be clarified and the case study will play a factor in the final theory building.

The explorative nature of the oil- and gas industry has led to much stakeholder scrutiny. The increased focus and demand for sustainability (as explained in the section on CSR in the Literature Review) has further triggered the scrutiny of the industry, as it is accused of being particularly threatening to the environment. This has, according to Tilt and Symes (2000), resulted in the industry adopting a 'pro-active' approach to enhancing communications with stakeholders. Based on this we thought it would be interesting to see how companies within this particular industry would communicate with its stakeholders during a crisis, and further to investigate how the companies used social media, in particular, as part of their interactions with the respective stakeholders.

The aim is to analyze what is actually being said between the company and its stakeholders on social media sites during the crisis; in other words, analyzing the communication. As we,

aforementioned, are following an interpretive approach: "the linguistic work of assigning meaning or value to communication texts; assumes that multiple meanings or truths are possible" (Griffin, 2009; 15). By using an interpretive approach one strives to interpret a particular communication text in a specific context, and one uses theory to make sense of unique communication events (Griffin, 2009). We will be basing our analysis on written words; i.e. texts. According to Griffin (2009), "the aim of <u>textual analysis</u> is to describe and interpret the characteristics of a message" (2009; 22).

In this manner, we believe a *discourse analysis* will be appropriate, as it enables us to both make comparisons between stories and examine the construction of these. Phillips, Lawrence & Hardy (2004) argue that a *discourse* refers to an interrelated set of texts and the associated practices of production, dissemination, and reception that bring an object into being. In other words, discourses are structured collections of meaningful text (Phillips, Lawrence & Hardy, 2004). A discourse analysis refers to the practice of analyzing written or spoken language, such as a conversation or a newspaper article. The researcher attempts to identify categories, themes, ideas, and so on, and this will enable to reveal the hidden information behind the text itself. We cannot study discourses directly; it can only be explored by analyzing the text that constitutes them (Phillips, Lawrence & Hardy, 2004). This type of analysis takes a closer look at *how* things are said and communicated to understand what they are actually trying to say.

The analysis process began when we read through the different sources to gain an understanding of the individual cases. Next, we looked for quotes that would be relevant for the analysis. A relevant quote in this analysis is a quote that is directly related to the crisis response told by either the company itself or its stakeholders. The relevant quotes were then chosen from different sources and further systematized according to source and time. The quotes were subsequently translated to find the actual meaning behind them and further converted into themes to uncover the common traits following the quotes. The themes depicted from each company's response efforts were then compared with the other companies' themes. Based on these comparisons we could draw our conclusions on each of the companies' crisis response communication in the online sphere (i.e. social media).

#### **3.4 Limitations**

Like all research methodology, one's chosen method of conducting research has its limitations. The following is a discussion of limitation issues we have identified in our thesis and research process.

In hindsight, it becomes clear that the work with the collected data has gone through different and confusing stages. First, we had to explore what is actually written in the articles and texts online and later de- and reconstruct this knowledge. "There is no denying that stories recorded, interpreted, and analyzed from recollection will bear the marks of the researcher's own conscious and unconscious elaboration and embellishment" (Gabriel, 2000; 140). Our preliminary assumption about unpleasant handling of the respective crisis may have led us to enforce meaning into the stories and be biased in our interpretation. Further, as previously mentioned, by only basing our research on three companies in one single industry might make it difficult to generalize the theory to other companies and industries. By this we mean that it might be difficult to transfer these findings since the case sample is so small and it is not representative of the whole population. Eisenhardt argues "with fewer than 4 cases, it is often difficult to generate theory with much complexity..." (1989:545). However, Flyvberg (2006) disagrees with this statement and claims that it is incorrect to conclude that one cannot generalize from one case study. If the correct research method is used, one can often generalize from a single study. Kvale (1997) refers to another type of generalization called *analytical generalization method*. This method is based on an analysis of the similarities and differences between the two situations and the generalization claims are based on so-called "assertor logic". Further, according to Kvale (1997), by specifying the evidence and making the arguments explicit, the researcher allows the readers to self-asses generalized durability. Thus, in accordance to this type of generalization it is the reader's task to assess whether the conclusions we have drawn will apply to other situations/industries/companies as well.

**Reliability** refers to the stability, accuracy, and precision of measurement. In short, it tells us whether the research is conducted in a trustworthy manner. According to Thagaard (2003) one ensures reliability by making an account of *how the data is developed during the research* 

*process*. Throughout the process we have worked hard to ensure that we explain the procedure in order to give the reader an understanding of our reasoning and thus secure the reliability of our research. It is important that the researcher is conscious and explains the relationships of the informants and the importance of experience in the field of data that is produced (Thagaard, 2003). Research and theory developed in this study are drawn from leading researchers within the field, which aims to strengthen the reliability. We cross-checked our findings and conclusions with examples from other companies that have had to deal with social media in a crisis situation (e.g. Toyota, Domino's Pizza, Nestlé etc.), together with results drawn from other researchers within the field, and found that no particular discrepancy existed. It aims to show the basis for our interpretation and analysis, and further clarify the means of our reasoning. We have moreover described the method used to clarify for the reader how the analysis was conducted, and the textmaterial used for the analysis in addition to the discourse analysis itself have been enclosed to ensure no misunderstandings.

Another key element to reliability is that the researcher reflects on the context of the collection of data and how it can affect the result (Jacobsen, 2003). We recognize that our collection of samples might be biased by our personal opinions, but we have tried to our best efforts not let our own opinions about the companies shape the interpretation of the data, and thus used several sources in order to make the selection as reliable as possible.

**Validity** in quantitative studies refers to whether the research manages to measure what it is supposed to measure (Ringdal, 2007). However, in qualitative research, validity relates to the interpretation of results (Thagaard, 2003); i.e. one evaluates whether the interpretations made are valid. In order to strive for this requirement, the researchers would have to be critical towards their own assessments and interpretations. We have tried to ensure this by continuously reviewing and cross-checking our interpretations throughout the process, and questioning our selection, analysis and assessments, being open for alternate perspectives.

A second criterion in order to ensure validity is to test our interpretations with other people; may it be fellow students, professors or others that are able to do a critical assessment of the analysis, categorizations and interpretations (Jacobsen, 2003). We have not taken use of any other informants in order to ensure the validation of our research; however, seeing that we are two individual students cooperating on this project, we have had to discuss and collectively come up with interpretations we both agree with, which may have served as an improving factor of the validity. Additionally, we had our supervisor for guidance and comments throughout the research process to further secure the validity of our thesis.

Overall, we consider our sources as reliable since they are taken from the primary sources and crosschecked with secondary sources for confirmation, and have in this manner provided us with a complete picture of the phenomena as possible. For this research, we have used internationally recognized and professional concepts and definitions, which should ensure concept validity. The theories used are from acknowledged researchers within the fields of, for instance, crisis management, stakeholder theory and corporate social responsibility.

# CHAPTER 4 -

ANALYSIS

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# **4.0 ANALYSIS**

The following chapter is divided into two sections. The first section 4.1 starts by presenting the three cases, where information about the companies, their CSR efforts, as well the respective crisis and the response are provided. The second section will outline the empirical findings from the discourse analysis, where the aim is to capture traits in the communication between the respective companies and their stakeholders.

#### 4.1 Case presentation

# <u>4.1.1 British Petroleum – Oil Spill in the Gulf of Mexico</u>

### 4.1.1a) Company profile:

It was the adventurer, William Knox D'Arcy that first discovered oil in Persia (now Iran) in 1908. This led to the incorporation of the Anglo-Persian Oil Company in 1909, which later

became British Petroleum (BP) in 1954. During the early 1950s, BP expanded into other parts of the Middle East as well as Canada, Europe and Africa (Hall, (n/a)). Today, BP is a global oil- and gas company operating in more than 100 countries, employing over 80,000 people worldwide, and providing its customers with fuel for

BP – Sustainability report 2009: "We are committed to the safety and development of our people and the communities and societies in which we operate. We aim for no accidents, no harm to people and no damage to the environment"

transportation, energy for heat and light, retail services and petrochemical products. BP's core values are to be progressive, responsible, innovative and performance driven (BP – About, 2010).

#### 4.1.1b) BP and CSR

In the modern energy industry sustainable development is increasingly important for major oil and gas corporations like BP. The way these companies respond to critical and complicated sustainable issues will be crucial for future energy supply. BP has for a long time been the leader in the oil and gas industry when it comes to sustainability reporting, where it has won several prices and been regularly on the top of sustainability assessments like "Tomorrows Value Rating"<sup>17</sup> (Greenbiz, 2010).

<sup>&</sup>lt;sup>17</sup> More information on 'Tomorrows Value Rating' available at: <u>http://www.tomorrowsvaluerating.com/</u>

Former CEO, John Browne was acknowledged as BP's rescuer in a time when the share price was low and the company was suffering. In July 2000, BP and Browne launched a high profile, public relations campaign to position the company as environmental-friendly. The company changed its 70-year-old logo, to a new green and yellow sunburst, and introduced a new slogan, "Beyond Petroleum" (BP – Beyond Petroleum, 2011). The rebranding was part of an effort to portray BP as an energy company, but for many people, this slogan has been absurd since it focuses on BP's smallest energy sector while ignoring its major one (Landman, 2010). BP claims "Beyond Petroleum" is shorthand for what they do, which is to supply the world with energy now and in the future (BP – Beyond Petroleum, 2011). Despite the criticism, the campaign won a gold Effie from the American Marketing Association, and BP said its brand awareness went from 4 percent to 67 percent from 2000-2007 (Environmental Leader, 2008). Meanwhile, Browne had been initiating heavy cost-cutting in order to develop the company and regain profits. According to the documentary "BP - Eye of the storm" by BBC, the cost cutting seems to have had a profound impact on the safety routines, and the employees in BP lost important knowledge about safety; which, again, might have had an impact on incidents in the years that followed.

In its Code of Conduct from 2009, BP states: "BP is committed to providing all BP employees – and those of other companies working on our premises – with a safe and secure work environment where no one is subject to unnecessary risk" (BP – Code of Conduct, 2009; 18); in addition to, "Wherever we operate, we will strive to minimize any damage to the environment arising from our activities" (BP – Code of Conduct, 2009; 20). However, over the years BP has had many incidents with safety issues, accidents and weak corporate governance at several of the company's production facilities. Its American operations, in particular, have been exposed to many fatal incidents during the last decade. For instance, in September 2004, BP had an accident in its refinery in Texas, which killed two workers and injured one; and already in March 2005, the same refinery experienced a new accident, this time killing 15 workers and injuring around 170. BP was then fined heavily for the safety violations that had caused the accidents; but one year later, in March 2006, BP caused a significantly large oil spill when a pipeline ruptured in Alaska. In 2007, Thomas Hayward was hired as the company's new CEO with the aim of cleaning up BP's tarnished reputation, by initiating an increased focus on safety. Nevertheless, although Tony Hayward has gained much praise for his efforts to restructure the organization, the

largest accident in the history of British Petroleum occurred under his lead with the Deepwater Horizon explosion in the Gulf of Mexico (The New York Times, 2010 - 3).

#### 4.1.1 c) The case:

The Deepwater Horizon platform was owned by Transocean Ltd., but was under contract to BP to drill an exploratory well (in the Macondo field) in the Gulf of Mexico. The deadly explosion on the Deepwater Horizon oil platform April 20<sup>th</sup> killed 11 workers and caused a profound oil spill, about 50 miles southeast of the Mississippi River delta. The oil spill caused by the explosion is to-date the largest ocean based spill and ecological disaster in American history; far worse than the 1989 Exxon Valdez oil spill in Alaska (Contify.com, 2010 - 1.).

For 86 days, oil was gushing into the Gulf from the Macondo well before BP was able to cap it. In September, nearly five months after it blew out of control, the U.S. government finally declared the well dead (The New York Times, 2011). Then the oil spill covered as much as 75,000 square kilometers (an area about the size of South Carolina), and the location of the spill changed every day due to weather conditions. Before the well was sealed the oil managed to reach shore of several U.S. cities along the east coast and the states of Louisiana, Mississippi, Alabama and Florida. It caused severe damage and contamination to the ocean side, as well as the ecological life in the area (The Encyclopedia of Earth, 2010). Additionally, tourism in the affected cities together with jobs, have suffered dramatically due to the oil spill. The Obama administration suspended oil drilling for six months in water depths greater than 500 feet, so that it could review the safety around it. Consequently, workers in many cities around the Gulf were suspended from work. One year after the explosion at Deepwater Horizon, the complete effects of the oil spill have still not been revealed (The Christian Science Monitor, 2010).

In addition to the environmental and ecological costs caused by the accident, the economical costs have been significant. As a result of the crisis, the BP stock lost close to half its value by June 9<sup>th</sup>, equal to more than \$82 billion. According to BP the cost of the spill response, containment, relief well drilling, static kill and cementing, grants to the Gulf States, claims paid, as well as the federal costs would amount to approximately \$11.2 billion (The Encyclopedia of Earth, 2010).

The fact that the oil spill has been called "the BP oil spill" is very harmful to the company brand (e.g. Exxon will forever be remembered for the "ExxonValdez"- oil spill). A crisis management consultant, Robbie Vorhaus, said that it would be very hard for BP to continue with the same brand after this crisis (the Financial Times, 2010). The damage to the brand was particularly severe as BP was already trying to recover from the oil spill in Alaska and the Texas refinery explosion. As oil companies are very dependent on support from the host Governments, all these issues have not made it particularly easy for BP to gain trust among the U.S. Government officials (Crooks & Edgecliffe-Johnson, 2010).

# 4.1.1d) BP's response and communications efforts:

BP struggled with its communication and response efforts during the first critical period after the accident. At first, the company accepted to clean up the contamination and fix things, but it seemed constrained by legal advice not to take any responsibility (LA Times, 2010). CEO Tony Hayward stated in an interview that "we are responsible, not for the accident, but we are responsible for the oil and for dealing with it and cleaning the situation up" (LA Times, 2010). The CEO further claimed that BP would pay compensation for legitimate claims of property damages, personal injury and business losses (Huffington Post, 2010 - 2), but that Transocean Ltd. (owner of the rig) and Halliburton (cement provider) should also take their part of the responsibility (Reuters, 2011). Nevertheless, BP was found to be the only responsible party in this case by the U.S. Government; and as a result, President Obama have been holding BP responsible for paying all legitimate claims for damages resulting from the Deepwater Horizon oil spill on May 2<sup>nd</sup>, 2010 (Contify.com 2010 – 1).

BP did not only have a major environmental-crisis on its hands which it did not seem too sure how to handle, but, to make matters worse, BP was at the same time fumbling with its communication (i.e. some unfortunate statements made by BP officials and the CEO himself), turning it into an reputational crisis as well. For instance, Tony Hayward told BBC: *"This was not our drilling rig, it was not our equipment, it was not our people, our systems or our processes"* (The Financial Times, 2010). Statements like this together with an observed lack of success to get the situation under control, caused a large wave of criticism towards BP from every angle; even U.S. President Barack Obama was publicly expressing his discontent with the

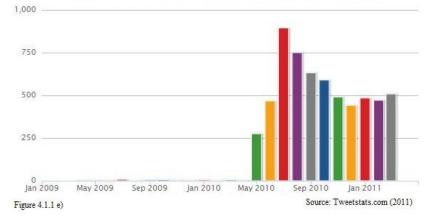
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company. Consequently, the U.S. Government eventually had to take care of the communication concerning the oil spill ("BP: Eye of the storm", 2010)

#### *4.1.1e) BP* and social media

BP created its @BP\_America Twitter account in April 2009 (Twitter.com – BP America); however, it had not been used particularly active prior to the oil spill (see Figure 4.1.1 e) for

amount of tweets per month). The account also had very few followers, ca 4,800 people on May 25, 2010 (The Inquisitr, 2010). Now the account has 28,702 followers and 7,399 tweets (Twitter, June 29, 2011). The same goes for the



company's official Facebook page, although BP already had a Facebook account in place prior to the accident, it had only been used sporadically over a period of approximately 5 months. The explosion and the related oil spill received a lot of attention, and the case was hence actively being discussed in the online communities (Lacombe, 2010); however, the company itself did not start to engage in social media activities and interactions until a month after the explosion (Buskirk, 2010).

Ogilvy Public Relations Worldwide was eventually hired to provide BP with social media expertise, and was managing the response and inquiries at BP (Ciarallo, 2010). Even so, the response through social media was by many called "too little too late" (Buskirk, 2010). The peak of the response was as late as mid-August when BP's Facebook account got 40,000 "fans" (Baron, 2010; 12). A blogger at Wired.com wrote in June 2010 that: "BP's social media campaign going about as well as capping the well" (Buskirk, 2010); i.e. it did not run smoothly. The company also received criticism for its aggressive use of Facebook-ads to diminish the effects of its negative reputation. The critics said the company should stop wasting money on expensive ad campaigns telling people about what a great job it is doing and rather act on it (Livingston, 2010). The spill only lasted for 5 months, but BP's reputation took a major hit, which will affect the brand for many years to come (Casale, 2010).

# 4.1.2 Chevron Corp. and the Ecuador lawsuit

# 4.1.2 a) Company profile:

Chevron Corp. (former Pacific Coast Oil Co.; Standard Oil Co. of California; and latest Chevron-Texaco) is the second largest oil company in the United States, with its legacy tracing back to 1879. Today, Chevron is a big multinational company that, according to the company itself, serves as one of the world's largest integrated energy companies. Per 2010, Chevron consisted of

Chevron Corp. (company profile) (2010) on Environment and Safety: "As a company and as individuals, we take great pride in contributing to the communities where we live and work. We also care about the environment and are proud of the many ways in which our employees work to safeguard it"

approximately 60,000 employees and about 4,000 service station employees worldwide; in 2009, about 73 per cent of its oil production occurred outside the United States. The vision of the company is "to be <u>the</u> global energy company most admired for its people, partnership and performance" (Chevron Corp., 2011).

# 4.1.2 b) Chevron and CSR:

In the company's first annual CSR report from 2002 (read: online), former CEO Dave O'Reilly proudly claimed that Chevron has since the establishment "*recognized the importance of treating people with respect, addressing the need of the communities where [Chevron] do business, being responsible stewards of the environment and leaving a positive legacy for future generations*" (ChevronTexaco - 2002 CSR Report; 2). Through its CSR engagement, Chevron has won much praise for its efforts. For instance in 2008, the company won a CSR award for its engagement in the fight against HIV/Aids, and the company has engaged in international CSR movements to further state its social responsibility (Chevron, 2011). Chevron, together with BP among others, is a member of the "Voluntary Principles on Security + Human Rights"<sup>18</sup>, which is a voluntary non-profit co-operation between some western governments, companies and NGOs, that are all concerned with the issues of human rights and corporate social responsibility. Nevertheless, the company has also received a lot of criticism for its *lack* of social responsibility<sup>19</sup>. Among the

<sup>&</sup>lt;sup>18</sup> For more information about "Voluntary Principles on Security + Human Rights": <u>http://www.voluntaryprinciples.org/</u>

<sup>&</sup>lt;sup>19</sup> E.g. "Corporate Hall of Shame award delivered to Chevron CEO.." (2011) http://www.indybay.org/newsitems/2011/01/20/18669704.php

most controversial cases are the claims of human rights abuse in Burma<sup>20</sup>, Nigeria<sup>21</sup> and last but not least, Ecuador.

#### 4.1.2 c) The case:

The crisis Chevron is dealing with is not a new one; on the contrary, it is a lawsuit against the company that has been going on for more than 17 years. The lawsuit stems from the oil production Texaco Petroleum Company (hereby Texaco) executed in the northern corner of the Ecuadorean Amazon from 1964 to 1992. After the company had left the country in 1992, and handed over all production to the state-owned company PetroEcuador, Texaco was brought to federal court in New York in 1993 due to a severe amount of pollution and oil related contamination that was left behind by the company in the rainforest (Change Chevron, 2010).

The lawsuit, where 30,000 individual Ecuadorians are fighting against the multinational oil giant Chevron, has become one of the largest environmental lawsuits in history. It asserts Texaco deliberately dumped more than 18 billion gallons (or 69 billion liters) of toxic waste into the Amazon when it operated 356 oil wells in the area. Poisoning an ecosystem the size of Rhode Island, decimating the lifestyles of six indigenous groups, and causing an epidemic of cancers and other oil-related illnesses (The Clean Up Oil Waste Project, n/a). Chevron, on the other hand, claims it fulfilled the required clean up before leaving the country, and that the state-owned PetroEcuador, which now has taken over the entire oil production in Ecuador, was the responsible party.

Texaco spent \$40 million in clean-up costs to cover up the sites and contaminated pits, and then signed a contract with Ecuadorian governmental officials to "release" it from any further claims in the future. From Texaco's point of view, the case seemed to be resolved; the Ecuadorian villagers, on the other hand, that had to live with contaminated drinking and bathing water was far from satisfied (The Clean Up Oil Waste Project, n/a). When Chevron was about to acquire Texaco in 2001, the former CEO David O'Reilly was warned by both shareholders and environmental groups, e.g. Amazon Watch, about the turbulent and still unresolved situation in

<sup>&</sup>lt;sup>20</sup> For more information on the Burma accusations: <u>http://www.csrwire.com/press\_releases/15522-The-Latest-Corporate-Social-Responsibility-News-Aiding-and-Abetting-Burma</u>

<sup>&</sup>lt;sup>21</sup> For more information on the Nigeria accusations:

http://www.csrandthelaw.com/2010/09/articles/litigation/bowoto-v-chevron-appellate-court-upholds-jury-verdict/

Ecuador. The company was recommended to do a proper background check of Texaco before fulfilling the acquisition. O'Reilly and Chevron, however, chose to disregard these warnings and went through with the acquisition (Earth Witness, 2009). When the outraged Ecuadorians finally managed to get the case back in front of a court (this time in Ecuador), Chevron, as the new owner of Texaco, now became the company in question.

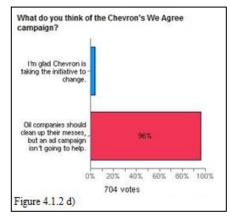
After more than 17 years, the case has become extremely complicated and complex, where both sides are constantly accusing each other of using dirty tactics and acting unethically, and it is thus still far from reaching a settlement. On February 14<sup>th</sup> 2011, the case reached a milestone when the Ecuadorian judge found Chevron liable of \$8.6 billion in damages tied to the alleged oil contamination in the Amazon, which is the largest judgment ever against a U.S. company for environmental contamination (Barron's, 2011). Nonetheless, Chevron has appealed the ruling claiming it is *"illegitimate and unenforceable*" (Facebook - Chevron, 2011). The company still sees the whole case as a political battle against large multinational companies and a *"product of fraud"*, and has filed a RICO (Racketeering Influenced and Corrupt Organizations Act) countersuit against the plaintiffs and their associates in the U.S (Facebook – Chevron, 2011).

Analysts believe it is unlikely the firm will agree to pay the fine, since Chevron no longer owns any assets in Ecuador that the court can withhold as collateral and the cost of continuing to appeal is far less than the amount it would have to pay to settle (The Independent, 2011). The court ruling received differing opinions from the different medias; the Independent was among those in favor of the ruling: "Whether or not Chevron can be forced to pay up – and the rest of the world should demand that it do so – this judgment is welcome. Multinational firms need to be made to understand that, whether in the world they operate, they will be required to pay the full costs when they wreck environments and destroy lives" (The Independent, 2011). According to the Flame Index (2011), the negative press about Chevron reached a boiling point after the company was found guilty in the Ecuadorian court. The negative publicity about the company increased by 43% within a short period of time, and Chevron was, as a consequence, ranking as number one on the Index the day after (Flame Index, 2011).

# 4.1.2 d) The PR push that went awry

On October 18<sup>th</sup> 2010, Chevron was going to release a new multi-million dollar PR and ad campaign called "We agree", to refocus all the negative attention that had been drawn to the oiland energy industry over the last few years. However, hours prior to the official release, a fake Chevron press release with links to campaign websites (www.chevron-weagree.com) and a series of false documents featuring made up quotes from real Chevron officials, were sent out to media outlets in the U.S. under the same "We agree"-slogan (Media Decoder, 2010). Unlike the official Chevron-campaign, the fake campaign used words such as "*Oil companies should clean up their messes*", with reference to the recent oil spill in the Gulf of Mexico and the yearlong Ecuadorlawsuit. At least one news-outlet, the Fast Company, took the prank seriously, quickly reporting on the "*newfound responsibility*" of the big oil magnate Chevron (Media Decoder, 2010). The prank created by the Yes Men<sup>22</sup> in cooperation with the environmental actionist group RAN (Rainforest Action Network) was soon revealed, and the real Chevron campaign was released later the same day, but the positive effects Chevron was hoping to gain from it was now radically diminished (Werbach, 2010).

The company was accused of trying to *greenwash* its image (e.g. Al Gore Blog, 2010). By using slogans such as "*Oil companies should support the communities they are part of*" (Chevron Corp., 2010), the campaign was perceived as slightly ironic given the circumstances. Unfortunately for Chevron, the Web 2.0-world has brought with it new types of hurdles; and a flashy ad campaign is no longer perceived as sufficient enough to establish a positive brand image. The



Washington Post (2010) did a vote among the readers to see whether they liked Chevron's PR campaign or not. 96% out of the 704 votes claimed that an ad campaign was not going to help (see result in **Figure 4.1.2 d**)). Chevron is far from being the first company to spend millions of dollars on a promotional ad campaign hoping to enhance positive perceptions of their brand by pivoting the attention away from public opposition. However, as long as the public do not perceive the company's efforts as sincere, the campaign will just become a liability instead (The

<sup>&</sup>lt;sup>22</sup> For more information about The Yes Men, see <u>http://theyesmen.org/</u>

Atlantic, 2010). The increasing power of social media has made it easier for organizations like the Yes Men to take down major companies. "For the price of a URL, and a little wit, a campaign that is out of step with reality can be hacked and become more of a liability than a potential benefit" (the Atlantic, 2010).

#### 4.1.2 e) The social media usage and response:

During the last couple of years, Chevron has, like many other oil- and energy companies, tried to

Chevron Corp. on Stakeholder engagement (2009): "We value outreach and dialogue as a means to understanding stakeholder views and concerns, gain insight into emerging trends, improve our policies and processes, and foster collaborative relationships on issues of mutual concern" establish a corporate presence in the social media community. The company has opened accounts on the major networks (such as Facebook, Twitter, and YouTube), and established an own social media team, led by media adviser Justin Higgs, to handle the company profile and presence online (Koroséc, 2009). Higgs and his team use social media tools to publish official

company news, earnings reports and press releases, as well as linking to third-party news and blogs (Koroséc, 2009). Chevron has been acknowledged for its social media efforts, and was awarded for its usage of social media monitoring to create valuable content (Sernovitz, 2010). The company has, for instance, been particularly successful with its annual "*Chevron Pulse Report: The state of online conversation about energy issues*"– using social networks such as Facebook, LinkedIn and YouTube to increase accessibility and make it easier to share (Sernovitz, 2010).

Although the company has opened up for more transparent and open communication with its stakeholders, the information given on these social medias is cautiously filtered. As Koroséc at Bnet.com (2009) wrote: "*News and commentary posts on Chevron's Twitter profile are <u>not</u> going to accuse the company of polluting Ecuador's rainforest". Higgs and his team are rather focusing on improving the company's image of corporate social responsibility and posting links to editorials, blogs, and reports etc. that offer a more supportive view (Koroséc, 2009). However, the web is filled with negative as well as positive claims about Chevron, and there has been established several anti-Chevron web-sites and accounts on Twitter and Facebook, in particular, related to the Ecuador lawsuit (e.g. "We can change Chevron"/@ChangeChevron run by RAN and the Amazon Watch). Hence, Chevron is now also providing what they call "crisis* 

*communication*" online by monitoring and responding to *'misinformation about Chevron*' that is being posted on the World Wide Web (Koroséc, 2009).

#### 4.1.3 PG&E – The San Bruno gas explosion

#### 4.1.3 a) Company profile:

Pacific Gas and Electric Company (PG&E) was founded in San Francisco, California in 1905, and is a subsidiary of the energy-based holding company PG&E Corporation (PG&E – Company profile, 2011). Throughout the 1930s it expanded dramatically when bringing natural gas from Texas to heat homes in California (PG&E – History, 2011). Today it is one of the largest natural gas and electric utility companies in the United States, and has almost monopoly in the northern and central part of California. Per 2011, PG&E has approximately 20,000 employees working to provide natural gas and electric services to around 15 million people in the northern and central California (PG&E – Company profile, 2011).

#### 4.1.3 b) PG&E and CSR

PG&E is focusing on four main areas: Business, Employees, Communities and the Environment (PG&E, 2010). In its "Annual Corporate Responsibility and Sustainability report" from 2009, the company states it is adapting its strategies, operations and culture to drive positive results across the "Triple Bottom Line" known as *people, planet* and *profit* (Chevron - Letter from the CEO and

Chairman, 2009). Throughout 2009, PG&E was rewarded for its sustainability effort by receiving several prices, e.g. ranked 28 on "Annual List of 100 Best Corporate Citizen" and "Number One Ranked Utility on List of Greenest Big Companies in America". PG&E has also set a target, where it wants to become the leading utility in the Unites States by December 2014. To reach this goal, the company is focused on achieving "delighted customers, energized employees,

PG&E - Corporate and Sustainability report 2009: "Yet while the future requires bold thinking and fresh perspectives, these must always be rooted in solid values, sound operations, sensible governance and strong relationships with our customers" (2009:6)

*rewarded shareholders and environmental leadership*" (Corporate Responsibility and Sustainability Report, 2009).

### 4.1.3 c) The case:

On the evening of September 9<sup>th</sup> 2010, a PG&E pipeline exploded in a neighborhood of San Bruno, California; killing 8 people, injuring a dozen and destroying about 38 homes. The crisis PG&E was up against was significant and the urgency to act was high. The San Bruno-pipeline broke around 6 pm local time, causing a fire that spread over 15 acres (MercuryNews, 2010), and the gas leak further severed water and sewer mains in the affected area. The fires in the systems were extinguished around 11.30 p.m., but the fires continued in the affected homes of the San Bruno-area for a couple of hours after. In addition to the directly affected area, there were approximately 300 customers without gas service, and 700 customers without electricity. PG&E had to cut electric service to 5,800 customers in the area for the safety of first responders (PG&E, 2010).

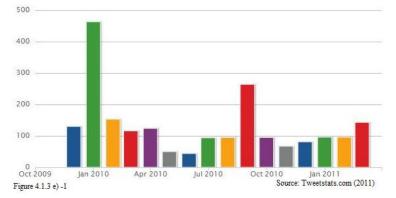
A report from 2007 claimed that a few miles from the accident, PG&E had reported a rupture in the pipeline, but those repairs had never been done (Bay Citizen, 2010). PG&E seemed to have been saving money on maintenance, rather than modernizing its system. The surprising fact around the pipeline explosion was that there had been complaints about gas leaks, or gas smells for up to three weeks, and it had been reported but nothing happened. The pipeline was laid down in 1948, and should have been repaired or replaced long time ago (Bizmology, 2010). Following the explosion, PG&E has promised faster and more effective response time to gas odors etc. The investigation of the gas explosion in San Bruno led by the National Transportation Safety Board (from now NTSB), attempts to find out whether or not PG&E has violated any laws or rules, and if so, PG&E will be charged \$20,000 a day for every day of the violation. PG&E Corp. President Christopher P. Johns said the company would "do the right thing" if it was found to be responsible (Bay Citizen, 2010). Further, a PG&E spokesman, Joe Molica, claimed the company has, "launched a number of initiatives to reevaluate, restructure and strengthen our gas system operations and the management of our natural gas system. We have brought in independent experts to help us with our review of some of our gas control practices, including alarm management systems" (Huffington Post, 2011). The company has also made a strategy plan together with fire departments and police stations in order to avoid severe delays in the response of accidents like this in the future.

#### 4.1.3 d) PG&E's response and communication efforts:

PG&E took full responsibility of the situation from day one; even before the company had been declared scapegoat (EveryDay PR, 2010). Within the first critical hours and days after the September 9<sup>th</sup> explosion, PG&E was communicating its action steps publicly, hosting community meetings, and established a \$100 million fund for the victims of the gas explosion (MSNBC.com, 2010). This fund was established to help those who had suffered from the accident with their day-to-day needs, and an additional \$3 million was given to the San Bruno Community to help them cover some of the expenses from the accident (MSNBC.com, 2010). After the explosion the company worked closely and collaborated with community officials and voluntary organizations, like the Red Cross (MercuryNews, 2010), which provided emergency medicine and temporary shelters for those who had lost their homes, and placed a truck at the local shopping center supplying food and water.

#### 4.1.3 e) PG&E and social media:

As noted earlier, over the last couple of years it has become increasingly important to use social media as a portal to communicate with people who have an interest in your company (i.e. stakeholders). PG&E is a frequent user of social medias such as Twitter (see Figure 4.1.3 e)-1 for



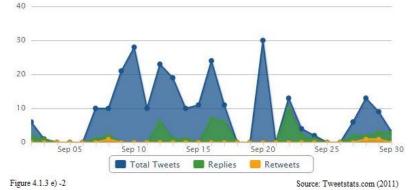
statistics month). tweet per Facebook, Flickr and YouTube when informing about the company and its operations. Facebook Its page (Pacific Gas & Electric Company) was first established in August 2010, and is mainly used to give

information about the company and what the company is working on at all time, in addition to being used for customer service purposes and respond to inquiries from its customers. While the Twitter account is mainly used for customer service purposes, to regularly respond and listen to people's issues and inquiries (Twitter – PGE4Me, 2010-2011).

In relation to the San Bruno accident, PG&E was continuously posting updates on Twitter (see **Figure 4.1.3 e)-2** for tweet statistics for September 2010) and Facebook about where people

could receive emergency help and who to call for information, as well as the company's own

response actions and investigation after the explosion (Nagesh, 2010). Throughout the aftermath of the accident, the company used its social mediaaccounts actively to keep its stakeholders informed about the



latest updates and developments of the situation, in addition to posting necessary hot-lines if people were in need of more information regarding shelters etc. and giving directions as to what to do if affected by the accident (Twitter - PGE4Me, 2010). Twitter was further a great source for people to find missing family-members and friends by efficient word-of-mouth linking from one tweeter to another, where PG&E also actively contributed in the search and sharing of information (Twitter – PGE4Me, 2010).

Regardless, the company has been suffering from loss of trust among its thousands of customers. After a series of missteps in 2010 (which will not be covered here), with the largest incident being the San Bruno gas explosion, PG&E experienced its worst year since the bankruptcy in 2001.. Journalist Ed Mainland claimed PG&E's reputation *"went up in flames"* with the San Bruno gas explosion (Pacific Sun, 2010); and hence, restoring public confidence will be a *"major mountain to climb"* (Rogers, 2010).

### 4.2 Empirical Findings

As a framework for the text analysis we have chosen a *discourse analysis*, as described in Chapter 3 - Methodology. Here we have done an assessment of corporate, as well as stakeholder, statements posted on social media sites such as Facebook, Twitter and Blogs, together with mainstream media within the depicted timeline. The following section represents our main findings from the collection of statements, described according to the themes we identified. The discourse analysis where the actual quote is stated, the translation of the quote, and the overarching theme of the quotes, can be found in appendix 1-3.

This section will, in a historical manner, present and assess the crisis response on social media based on the actual statements from the different companies. By presenting the findings historically we aim to capture the development of *what* is being said from the moment of the accident and throughout the depicted timeline, to see whether the response changes significantly. Each case response is assessed individually, and further divided into the company's own response and the stakeholders' response. The findings and argumentations will be backed up with quotes, which have been chosen through multiple assessments of our material.

#### 4.2.1 British Petroleum - The Deepwater Horizon oil spill in the Gulf of Mexico

It has been over a year since the Deepwater Horizon accident in the Gulf of Mexico, and the newspapers are still writing about it. During 2010, "oil spill" was among the "top 5 global events" that people searched for on Google<sup>23</sup>, and many people have expressed their opinions regarding the oil spill response. However, as described in the Methodology chapter, the stakeholders we have utilized for this analysis and identified as critical of BP's response were the *dependent stakeholders* (customers, affected communities and residents), *definitive stakeholders* (represented by the US Government), *demanding stakeholders* (Environmental Protection Agency and BPGlobalPR), and *dangerous stakeholder* (Greenpeace).

# 4.2.1 a) BP's response to the oil spill in social media

First of all, it is important to note that BP did not engage in social media communication (e.g. Twitter and Facebook) with its stakeholders until April 28; i.e. 8 days after the sinking of the Deepwater Horizon oil rig (Facebook – BP America). The first statements were particularly focused on disclaiming responsibility, but at the same time showing cooperativeness and accountability. Quotes like; "...from the sinking of the Transocean drilling rig Deepwater Horizon" (Facebook - BP America; April 28) and "the oil spill follows the sinking of Transocean's drilling rig Deepwater Horizon in the Mississippi Canyon 252 block" (Facebook - BP America; May 1) can be interpreted as BP trying to disclaim itself from the responsibility of what happened to the rig, as it belonged to another company. However, "BP pledges full support for Deepwater Horizon probes" (Facebook - BP America; April 28), shows accountability. The

<sup>&</sup>lt;sup>23</sup> Zeitgeist 2010: How the world searched - <u>http://www.google.com/intl/en/press/zeitgeist2010/</u>

claim of determination and reliability is supported by statements such as; "we are doing everything in our power to eliminate the source of the leak and contain the environmental impact of the spill" (Facebook - BP America; April 30), and "BP is mobilizing its full resources to fight the oil spill..." (Facebook - BP America; April 30).

The BP shares fell dramatically after the explosion of the Deepwater Horizon drilling rig (The Encyclopedia of Earth, 2010), and consequently, in order to save its bottom line, the company's main concern was to seal the well and clean up the oil spill as soon as possible. Claims like: "we will be judged by the success we have in dealing with this incident and we are determined to succeed", and "we are taking full responsibility for the spill and we will clean it up" (Facebook - BP America; May 1) indicate that BP could be trusted and that it is determined to clean up the mess. BP also tried to show some generosity by claiming "…where people can present legitimate claims for damages we will honor them" (Facebook - BP America; May 1).

The US Government was highly engaged in the whole response process and enforced a lot of pressure onto the company throughout the period. After BP officials had met with President Obama to agree upon ways to build up its response, there was a notable change in the company's statements. Trying to get the Government back on its good side, in addition to showing cooperativeness and a joint force, BP released statements such as: "*I agree with the President that the top priority right now is to stop the leak and mitigate the damage*" (Facebook - BP America; May 3); "*I reiterated my commitment to the White House today that BP will do anything and everything we can do to stop the leak, attack the spill off shore, and protect the shorelines of the Gulf Coast*" (Facebook - BP America; May 3); and "*We are working with state and community leaders to mitigate the impact on the lives and livelihoods of those who have been affected*" (Facebook - BP America; May 14).

On June 17, almost two months after the sinking of the Deepwater Horizon drilling rig, the first official apology through social media was made to the public. The apology came after several verbal missteps by BP executives in the media; e.g. CEO Tony Haywards comment "*I want my life back*" (The Times, 2010) when asked to say something to the affected communities; and Carl-Henric Svanberg's, the chairman of the BP board, comment "*we care about the small* 

people" (Dot Earth Blog, 2010) when hearing that people might find big oil companies greedy. Following these media missteps and a heated meeting at The White House, where the company got clear directions from the President himself to take more accountability (Casale, 2010), BP through CEO Tony Hayward, announced its apology to its stakeholders and the American people; "The explosion and fire aboard Deepwater Horizon and the resulting spill in the Gulf of Mexico never should have happened - and I am deeply sorry that it did" (Facebook - BP America; June 17). Subsequently, BP tried to show empathy and regret for the accident; "I also deeply regret the impact the spill has had on the environment, the wild life and the ecosystem of the Gulf" (Facebook - BP America; June 17). The statement; "I am here today because I have a responsibility to the American people to do my best to explain what BP has done, is doing, and will do in the future to respond to this terrible accident" (Facebook – BP America; June 17) also shows that BP is acknowledging responsibility for, and is doing everything in its power to, clean up the oil contamination.

#### *4.2.1 b) The stakeholders response to the oil spill*

BP had to deal with a lot of criticism from the very beginning for its response to the oil spill; much of the criticism has been related to lack of information and the disclaim of responsibility (Casale, 2010), in addition to inappropriate comments by BP executives in the media (ref. previous statements). The large amount of criticism has had a profound impact on the company's public image. The proof of this came when the company was ranked second to last in the "12<sup>th</sup> Annual Harris Interactive U.S. Reputation Quotient<sup>®</sup>," earlier this year – reaching low scores on reputation characteristics such as "being trusted to do the right thing" and "having high ethical standards"<sup>24</sup>.

As seen from BP's own response, the firm was clearly trying to disclaim itself from the responsibility of the Deepwater Horizon accident; the US Government, however, was never uncertain of whom the scapegoat was; "As far as I'm [the President] concerned, BP is responsible for this horrific disaster, and we will hold them fully accountable on behalf of the United States as well as the people and communities victimized by this tragedy" (The White

<sup>&</sup>lt;sup>24</sup> 12<sup>th</sup> Annual Harris Interactive U.S. Reputation Quotient – available at: <u>http://multivu.prnewswire.com/mnr/harrisinteractive/44749/</u>

House; May 27). The President engaged heavily in the case, making it his own personal battle; "The people of the Gulf have my commitment that BP will meet its obligations to them" (The White House Blog; June 16). At the same time he was making sure that the residents got what they deserved from BP; "We will demand that they pay every dime they owe for the damage they've done and the painful losses that they've caused" (The White House; May 27). The President also focused on taking leadership of the situation and assuring the residents of America that "...make no mistake: BP is operating at our direction. Every key decision and action they take must be approved by us in advance" (The White House; May 27), and further, "...if BP wasn't doing what our best options were, we were fully empowered to instruct them, to tell them to do something different" (The White House; May 27). From these statements it seems quite clear that the Government was taking charge of the situation and BP had to act according to its demands.

While BP struggled to fight the oil spill, and the residents of the Gulf coast made their claims to the company, many stakeholders actively contributed to the public debate regarding BP's handling of the case. For instance, the US Environmental Protection Agency (EPA) made it clear how it felt about the oil spill response; "...BP must put responsibilities to people & small biz of this area ahead of concerns about shareholders" (Twitter, EPA; June 4), and "BP, in charge of the cleanup, needs to spend more resources attacking the disaster" (Palm Beach Post, EPA; July 3). These quotes show that EPA was not satisfied with BP's focus neither did the organization show trust in the company's efforts; rather demanding increased accountability and action.

Independent critics also engaged in the cause, like the unofficial Twitter page BPGlobalPR (Beyond Pollution). BPGlobalPR was established prior to BP America, and was at first mistaken for BP's own account. This Twitter account, which has more than 171,000 followers per June 2011, operates as it was BP's own corporate Twitter page, except they write in a satirical fashion to make fun of BP's response efforts, e.g.; "*As part of our continued re-branding effort, we are now referring to the spill as "Shell Oil's Gulf Coast Disaster"*" (Twitter - BPGlobalPR; June 1) – referring to BP's continuous attempt of finger-pointing. Being called the "BP oil spill" has a harming effect on the BP-brand, and BPGlobalPR wish to pay attention to the efforts of BP to save its image and rather accuse other companies in order to clean its name. Further, "*Safety is* 

our primary concern. Well, profits then safety. Oh, no - profits, image, then safety, but still - it's right up there" (Twitter - BPGlobalPR; June 5) - criticizing BP of paying more attention to profit rather than safety. BPGlobalPR also wrote; "We are doing everything we can to stop the information leaks in the gulf" (Twitter - BPGlobalPR; June 26) - paying attention to the fact that BP was trying to filter information coming from the Gulf by hiring guards to keep journalist away from areas affected by the oil spill (BP Oil News, 2010 - 4.).

Moreover, the residents along the Gulf Coast were frustrated over the loss of their livelihood and felt that BP was not doing enough to hinder the oil from spreading and that the cleanup efforts were not efficient enough. According to the statements we found made by the residents, the company seems to be lacking integrity and trust, and people were really unsatisfied with the situation. Through comments such as: *"We're no engineers. We have no way of evaluating the merits of this idea, but wouldn't it be nice if BP was doing everything it could to stop the loss of livelihood, the loss of marine life, and the economic and environmental devastation caused by their spill?"* (BP oil news; May 11); and *"Hardworking people should not be forced into poverty by the oil spill"* (CNN; June 7) one can see how little reliability the company have among the Gulf coast residents. Statements such as; *"Today I lose my property and liability insurance on my other business. Today I lose my health insurance for my employees. Monday I let off 12 of my employees. I cannot pay my workers compensation insurance today"* (Palm Beach Post; July 3), further show that people along the Gulf coast are really struggling, they have legitimate and urgent claims, but they are in need of help from BP or the Government to save themselves from a personal economical crisis.

Lastly, we have noticed that dangerous stakeholders like Greenpeace have been active in its interference and criticism towards BP during the oil spill response. BP is, for instance, criticized for operating beyond its own limitations, where it ends up not having control over the situation; *"With deep sea drilling, BP is pushing the technology to its limits – this accident shows that they have pushed it beyond its limits. So too with the response to the spill. No one knows how to stop it"* (Greenpeace; May 17). Greenpeace believes there is a lack of regulation, and that BP has lost control over the clean up process. The organization is further pointing at BP's CEO Tony Hayward's perceived arrogance and trivialization of the pollution and its extent; *"CEO Tony* 

Hayward, recently said, The Gulf of Mexico is a very big ocean. The amount of volume of oil and dispersant we are putting into it is tiny in relation to the total water volume (...)His comment shows a cynical disregard for the reality of what is happening here to the environment, wildlife and communities who live and work here on the southern coast of the US" (Greenpeace; May 19).

# 4.2.1 c) Summary

If we look at BP's response plan after the oil spill in the Gulf of Mexico we can see that the way the company is responding changes throughout the timeframe of our analysis. Initially, BP is disclaiming itself from any responsibility in regards to the accident, trying to shift the focus to the other companies involved, like referring to it as Transocean's drilling rig etc.; however, at the same time struggling to show accountability and its determination to clean up. After the US Government and the President got involved in the response plan, BP's communication response changed. Consequently, BP was showing empathy by apologizing for the accident, admitting that

this accident was the company's responsibility, and stating that it would do everything possible to clean up. The company eventually showed itself from a more humane side by, for instance, admitting not having control over the situation; "The process that we've (BP) been working our way through over the last 60 days is not perfect. I would not even stand here and try to pretend that it's perfect" (Palm Beach Post; July 3 (2)).

Themes - BP		
1	Determined and reliable	
2	Cooperative, Appreciative & Accountable	According to
3	Disclaim of responsibility	BP
4	Empathic and regretful	
5	Demand for accountability & justice	
6 7	Claim of insufficiency and unsatisfactory	
	approach Demons (for income for enfotion	
	Demand for increased regulation - asymmetric power relation	According to
8	Disclaim of responsibility	the
9	Profit focus	stakeholders
10	Enforced control of information flow	
11	Arrogance and Trivialization of issue	
12	Lack of integrity and trust	
13	Under Governmental control	
Table 4.2.1		

The stakeholders' response to BP's oil spill in the Gulf of Mexico, on the other hand, does not change significantly throughout our timeframe. Most of them continuously demand more accountability and information from BP during the whole period. One resident claimed; "*BP's response...an exercise in finger pointing*" (Care2.com; May 12), emphasizing BP's efforts to disclaim responsibility. Another concern among stakeholders is the focus of the company; rather than putting the affected communities and people first, many believe BP has been more

concerned with trying to save its reputation and future profits, together with its relationship to shareholders and other investors. The US Government demands more accountability and is enforcing control over BP to ensure a respectful response. The environmental activist group, Greenpeace claims BP is lacking sufficient knowledge and expertise to deal with this type of environmental catastrophe and that the company tries to trivialize the issue (see summary of the different themes in **Table 4.2.1**; and quotes sorted according to the respective themes can be found in the **Appendix no. 4**).

#### 4.2.2 Chevron Corp. - The Ecuador Lawsuit

The Chevron vs. Ecuador lawsuit is, as aforementioned, an old, although still ongoing, case. Lasting for more than 17 years, the case has become extremely complex, and without fully engaging in the trial process, it is impossible to get a complete picture of the whole scenario. Our job in this thesis is however not to take a stand according to whether Chevron is guilty or not, but rather focusing on the response approach and what is said; both by the corporation as well as its stakeholders. The stakeholders we identified as critical of Chevron's response were those who we recognized previously as dependent stakeholders (customers and the affected communities/plaintiffs; employees excluded), demanding stakeholders (NGOs, independent environmental groups/associations and individuals) and *dangerous stakeholders* (the Amazon Watch and Rainforest Action Network). Note, Governmental opinions were not included, as we could not find any specific statements regarding the case made by these stakeholders!

# 4.2.2 a) Chevron's response to the Ecuador case in social media

By looking into Chevron's public postings and statements on the social media sites of Facebook and Twitter, we have tried to draw a picture of the company's response and positioning in relation to the lawsuit. The trends we have observed in accordance to Chevron's response to the crisis in the online sphere have not changed significantly within the depicted timeframe. Chevron seems to constantly seek to promote itself as a socially responsible company - consistently working to serve the local communities and being environmentally friendly; "We hear what people say about oil companies - that they should develop renewables, support communities, create jobs and protect the environment - and the fact is, we agree" (Facebook - Chevron; Oct. 18). In accordance to its stance in the Ecuador- case, however, the company never takes any

responsibility for what it is accused of doing, and disclaims itself of any criticism. This is exemplified through its response to the spoof ad-campaign released on the same day as its own: "Unfortunately, there are some who are not interested in engaging in a constructive dialogue, and instead have resorted to rhetoric and stunts" (Facebook - Chevron; Oct. 18).

Rather than ensuring accountability, Chevron acts defensively when confronted with any criticism - refusing to take any blame: "*Misleading press releases aim to obscure overwhelming evidence of fraud*" (Twitter - Amazon Post; Dec.7) - and offensively towards the plaintiffs (i.e. the affected communities of Ecuador and their lawyers), the Ecuadorian court and legal system, as well as any other who might criticize the company. In accordance to its often strong statements, Chevron claims and withholds that the company is being a victim of a tremendous injustice and fraudulent scam; "we're not a monster, but a victim of monstrous injustice" (The Economist, 2011).

After the company was found guilty of charges and further to pay almost \$9 billion in damages and compensation to the indigenous people of the Ecuadorian Amazon on February 12 this year, Chevron exclaimed on its Facebook account: "Chevron does not believe today's judgment is enforceable in any court that observes the rule of law. Chevron intends to see that the perpetrators of this fraud are held accountable for their misconduct". The company seems to be taking use of every possible weapon available in this battle and has definitely no plans of giving in to defeat any time soon; rather, according to the Huffington Post (2008) Chevron's General Counsel, Charles James, has been quoted as saying that the company will fight this case "until hell freezes over, and then skate on the ice".

#### 4.2.2 b) The stakeholders response to the case

Chevron obviously has some clear opinions when it comes to the lawsuit and how to handle it. We wanted to know whether these were opinions shared with the different stakeholder groups. As aforementioned, Chevron has a diverse specter of stakeholders, and we hence discovered some differing opinions about the lawsuit and Chevron's response to it. Obviously, the affected communities of Ecuador are not satisfied with Chevron's response to the lawsuit, and Amazon Defense Coalition (the coalition of the plaintiffs) noted on its Facebook page (2010) that: "*The oil giant has spent 16 years trying to convince courts in both the US and Ecuador that it is not responsible for cleaning up a huge area of contaminated rainforest simply because it signed off on a corrupt remediation deal*".

With the release of the PR campaign "We agree" in October 2010, Chevron aimed to profile itself as a sustainably conscious and concerned company, dissociating itself from the BP disaster; however, with the release of the spoof campaign by The Yes Men, which beat the company to the punch, the focus was shifted towards an attempt of the company to *greenwash* its image by neglecting and ignoring the real issues the company had to deal with; e.g. the unresolved case in Ecuador. As an angry consumer put it, "*Stop wasting your greenwash money on ads and clean up your mess and stop human rights abuses around the world. Your ads don't fool us!"* (Facebook Comment - Chevron; Oct 19). Chevron's expensive PR campaign failed to do the job of improving the company's perceived image, instead the negative publicity increased. E.g. comment by former U.S. Vice President Al Gore: "*Rainforest Action Network and The Yes Men have put together a great campaign focusing on Chevron's efforts to greenwash their poor environmental record*" (Al Gore Blog; Nov.4). While Chevron's own campaign ended up on the list among the least successful advertisement campaigns of 2010, the spoof campaign won a lot of praise and recognition (ref. Twitter - @ChangeChevron, 2010-2011).

Chevron's attempts of *greenwashing* have been a major source of criticism, although not the only source. As the trial process continues to drag on, the amount of criticism towards Chevron has seemed to increase with it. For instance, the company has received much criticism for acting arrogant and trying to trivialize the issues at stake in the Ecuadorian Amazon. Comments by Chevron executives such as: "*I have makeup on my face and there's naturally occurring oil in my face. That doesn't mean I'm going to get sick from it*" (OpenMarket Blog; May 5, 2009) have not helped the company's case.

Another source of criticism questions the ethical approach of the company's actions related to the trial process. Chevron has by many sources been accused of engaging in dirty tactics in order to

release itself from the accusations and avoid paying up. Amazon Defense Coalition claimed on its Facebook page (2010) that: "It's [Chevron's] recent foray into the sordid world of Nixon-style dirty tricks has raised serious questions about its own level of in-house corruption, both moral and material". Greenpeace also noted that: "While Chevron tries to spin the truth in the U.S., its tricks in Ecuador may be far dirtier and deadlier" (Blog - Feb. 22, 2011); i.e. showing open concern for the company's, accusingly, deceitful operations in the Ecuadorian court.

A common trait in the criticism concerning Chevron's response to this crisis was, and still is, the demand for Chevron to be accountable and take responsibility for the situation. When Chevron was found guilty in the court of Lago Agrio in February 2011, many followers of Chevron on Facebook were praising the ruling; e.g. "After thirty years of polluting, arbitrating, and obscuring the truth over the mess Chevron left in the Amazon, the Ecuadorian courts have issued one of their most important verdicts ever: Chevron must pay to clean up millions of gallons of crude oil and toxic mud they spilled in Ecuador" (Facebook Wall post - Chevron; Feb 15, 2011). However, when Chevron went on the offensive and claimed it would refuse to settle for the judgment, people were questioning the reliability and sincerity of the company's CSR efforts (as stated in the "We agree"-campaign): "Chevron says 'it has no assets in Ecuador and believes it is unlikely ever to pay'. Shame on you. Who's paying back to the community now?" (Facebook Wall post -Chevron; Feb 15, 2011). Overall, according to the statements we found made by the plaintiffs, environmentalists and other independent stakeholders, the company seems to be lacking integrity, reliability and trustworthiness among them. Through comments such as: "Chevron cares about what?" (Twitter - Amazon Watch; Oct. 29, 2010); "Chevron loves to try to change the conversation - anything but their disaster in Ecuador" (Twitter - Amazon Watch; Nov. 3, 2010); and "We agree - Oil companies should not abuse human rights" (Global Exchange Blog; May 24, 2011) one get an impression that the company has attained little reliability among some of its most salient stakeholders.

A final source of criticism towards Chevron, we have noticed, is that the company is accused of being more concerned with profits and shareholder wealth rather than focusing on the environmental and human issues related to its operations. "CEO John Watson opened Chevron's 2010 Annual Report by telling the stockholders that '2010 was an outstanding year for Chevron'.

The communities who bear the costs of Chevron's operations do not agree." (Global Exchange Blog; May 24, 2011). Although the company is concerned with providing sufficient shareholder return, some questions whether Chevron manages to think about the long-term effects of the company's reputation in relation to this case. Already in 2008, the Huffington Post questioned the motives for Chevron's offensive approach: "Is James [Chevron's General Counselor] acting in the best interest of its shareholders? [...] As oil companies are forced to negotiate exploration agreements with increasingly sophisticated governments, Chevron's reputation will necessarily affect its competitive standing - since communities will look to partner with corporations that can generate the most profit while causing the least amount of environmental devastation". The financial institutions and investors also seem to raise some concern regarding this, although the investors were not notably worried by the court ruling on February 15, "... the stock market gave the judgment a collective yawn..." (The WSJ; Feb 16, 2011); indicating that they were not worried that the judgment would affect the company's profitability any time soon. Nonetheless, the financial news provider, The Wall Street Journal, mentioned that some of the investors were worried about the long term effects of the ruling and the negative publicity that follows while Chevron continues to fight back: "Even if Chevron never has to pay, the ruling could worsen what has already been a public relations nightmare for the oil giant when all companies are under added scrutiny in the wake of last year's oil spill in the Gulf of Mexico" (the WSJ: Feb 15, 2011).

Meanwhile, while being concerned about their investments for the future, the general stance of the financial institutions and investors (representing the *definitive stakeholders* of Chevron) is supportive of Chevron. According to the Wall Street Journal (Feb 16, 2011), there is a belief that the company is being a victim of a major misconduct and that the whole lawsuit is unenforceable without any legitimate claims; "*The fact that Texaco cleaned up its sites and was released from liability by the government of Ecuador and state oil company PetroEcuador didn't stop the plaintiffs, led by Steven Donziger, from concocting a case through"*. They further seem to believe the lawsuit is mainly a way for developing countries such as Ecuador, to claim money from and earn the pride of beating a wealthy large American multinational company; "*The only thing more preposterous than the case is that the plaintiffs want more*" (the WSJ; Feb 16, 2011). They thus honor Chevron's consistency and unwillingness to bow under: "*While many corporate* 

defendants settle to avoid headline risk, Chevron has fought back". The Wall Street Journal continues by saying that "We hope the company's refusal to surrender to lawyer's in league with a banana republic sends a message to other aspiring bounty hunters" (the WSJ; Feb 16, 2011), believing the company will set an example for similar lawsuits in the future.

## 4.2.2 c) Summary

By looking at and comparing statements made by Chevron itself and some of its stakeholders, we have identified some differences in the perception of the company's response approach. Chevron continues to claim its innocence and avoids responding to any criticism. Any sort of

1	Determined and reliable	
2	Promotion of Empathy & Generosity	According to
3	Disclaim of responsibility (defensive)	Chevron
4	Offensive - fighting back	
5	Demand for accountability & justice	
6	Claim of lack of empathy & trivialization of	
	issue	
7	Lack of integrity and trust	According to
8	Deceitful	the
9	Demand for justice to be prevailed	stakeholders
10	Concern for reputational impact (investors)	
11	Investor confidence	
12	Claim illegitimate lawsuit	

responsibility claims direct or confrontation is dismissed. The company's response tactics have not changed notably over the timeframe of our analysis, or over the years of the trial for that matter. The company's stakeholders, on the other hand, are not sharing the same impression as Chevron. E.g. the plaintiffs.

independent environmentalists and activist groups stand together in an opposition against the company. Chevron seems to be lacking integrity and trust among these stakeholders. Not many positive comments have been identified regarding Chevron's response to the case, and the demand for accountability and justice towards the indigenous people of Ecuador is high. The *one* stakeholder group we have recognized, in our brief analysis, in support of Chevron is the definitive one, or the financial market and investors, who gain from the company's fight for innocence; although admitting that a liability suit is never good business for a company (see summary of the different themes in **Table 4.2.2**; and quotes sorted according to the respective themes can be found in the **Appendix no. 5**).

## 4.2.3 PG&E - San Bruno Fire

The gas explosion and the following fire in San Bruno last year has not been discussed in social media nearly as much as the BP oil spill and the Chevron Corp - Ecuador lawsuit. Even though

there were eight fatalities and many more people heavily injured, the environmental damages were minor compared to the other two cases and consequently no environmentalist action groups (*dangerous stakeholders*) have gotten involved in the case; i.e. there has not been any major claims for sustainability to be prevailed. The stakeholders we have identified, and which we have included in our analysis, are the *definitive stakeholders* (investors and financial institutions), *dependent stakeholders* (residents), *dominant stakeholders* (government officials) and *demanding stakeholders* (independent NGOs and individuals).

## 4.2.3 a) PG&E's response to the San Bruno fire in social media

By assessing the response efforts of PG&E throughout the crisis we have not been able to identify any major changes in the company's response. The first statement that was announced on the company's Twitter page read; "We've heard the reports as well and we are looking into it. Our thoughts are with anyone that has been impacted by this tragedy" (Twitter, PGE4Me; Sept 10); i.e. PG&E wanted to inform its followers that it was taking action (sign of accountability), in addition to showing empathy for those affected by the explosion. Shortly after PG&E announced; "For the latest information on our response to the San Bruno fire, you can follow us on Twitter @PGE4ME, follow our updates here on Facebook, and visit www.pge.com" (Facebook – PG&E; Sept 10), hoping to make it easier for people to find relevant information regarding the accident at all times. PG&E kept its word, and was using its social media accounts actively to inform its stakeholders, e.g. giving important information regarding emergency help for all those affected by the tragedy, as well as information regarding the development of the situation, from the moment of the explosion in San Bruno.

PG&E kept on informing its followers consistently throughout the first critical day, both on Facebook and Twitter, and showed concern for the people that were affected by the fire, but also urgency to find the cause of it; "We have crews on the scene & are working w/emergency officials who are looking into the cause" (Facebook, PG&E; Sept. 10). PG&E further wanted to ensure its stakeholders that it cooperated closely with those providing emergency help on the scene: "The priority right now is to make the area safe, and we are working with the Red Cross to provide emergency shelter for those in need" (Twitter, PGE4Me; Sept 10).

Even though PG&E was not certain about the cause of the accident, it made it clear from the very beginning that the company would do what was necessary if investigations showed that it was the responsible party; "If it is determined that the initial cause involved one of our facilities, we will take full responsibility and do what is necessary" (Facebook, PG&E; Sept. 10). The company was also continuously providing its followers with updates directly from the affected area, e.g.: "We have secured our gas transmission line and have crews on site to control the distribution line to make it safe for everyone" (Twitter, PGE4Me; Sept.10 (4)), and "NTSB will lead a comprehensive investigation and will be the principal source of information about the investigation as it progresses" (Twitter, PGE4Me, Sept. 10 (5)). This indicates that the company wanted to appear as reliable and determined in its work. Once and again, between the more informational messages, the company were showing empathy and regret by apologizing; "Our thoughts go out to everyone affected by this terrible situation" (Facebook, PG&E, Sept. 10), and "We know that no amount of money can ever make up for what's been lost" (Twitter, PGE4Me, Sept. 13).

In the aftermath of the accident, people were claiming that there had been reports about gas leaks in the area before the accident, a reply from PG&E claimed that: "*Regarding gas leak claim - we will be looking into these reports and sharing the facts as part of the investigation*" (Twitter, PGE4Me; Sept. 10 (4)). The claim was followed up with a further reply six days later, saying that: "*We have found no record of anyone reporting smelling gas in the affected San Bruno neighborhood from 9/1 - 9/9. We reached that conclusion after a thorough review of all calls received by our four contact centers*" (Twitter, PGE4Me; Sept. 16). Although the company does not necessarily take fault for the claim, the company shows determination by responding to the criticism head on instead of avoiding it (like Chevron usually does).

Throughout the response period in the aftermath of the accident, PG&E continuously showed concern for the San Bruno community; "We are committed to help the healing and rebuilding process and allow the wonderful people of San Bruno to begin to move forward" (Twitter, PGE4Me; Sept. 13). On September 13, only three days after the explosion, PG&E tweeted: "Today we announced the creation of the "Rebuild San Bruno Fund"", "The fund will make available up to \$100 million for the residents & city of San Bruno to help recover from last

Thursday's tragic event" (Twitter, PGE4Me; Sept. 13). By establishing this fund PG&E wanted to prove to its customers and the residents of San Bruno that the company is committed to rebuild San Bruno after the terrible gas explosion. An important task for PG&E was to regain the trust among its customers and other stakeholders after the accident, in order to avoid a permanent negative reputation and further negative financial implications. Claims of reliability and commitment was thus often posted on its official online information-portals; for example "It is critical to the public of San Bruno, our customers and the industry that we get to the bottom of this accident and take the necessary steps to prevent such tragedy from ever happening again" (News release, PG&E.com; Oct. 13), and after the first report from NTSB was released, PG&E continued to express its commitment and concern; "PG&E is committed and determined to make our gas transmission system as safe and durable as possible. We remain dedicated, heart and soul, to restoring our customer's faith in PG&E's gas transmission system and to helping San Bruno recover and rebuild" (News release, PG&E.com; Dec.14).

#### 4.2.3 b) The stakeholders response to the case

As aforementioned, PG&E had several stakeholders that were affected by the gas explosion in San Bruno. First and foremost, there were the residents of the San Bruno area. With a devastating accident like this, it is needless to say, many of those affected by the explosion who have issued lawsuits against PG&E. Some of the families that have filed suits against the utility: "... argue that PG&E was negligent, and they are demanding an immediate injunction forcing the company to 'move, repair and/or replace the dangerous and defective pipeline'" (SFist; Oct. 20). Another family that has brought suit against PG&E states that: "... the lawsuit accuses PG&E of negligence and claims (...) that the fire was the direct result of PG&E's 'ultrahazardous activities in operating line 132'" (San Bruno Patch; Jan. 26, 2011). In other words, the residents of San Bruno accuse the company of neglecting security measures and that it is "playing a dangerous game" with people's safety by not securing its pipelines sufficiently. As, the Morales family, who lost their daughter in the accident, exclaimed: "[her death] was entirely preventable if PG&E had done its job" (San Bruno Patch; Jan. 26, 2011), accusing the company of being responsible for their daughter's death.

Some independent NGOs and media outlets also reported on the case and PG&E's response to the crisis. The independent organization "TURN - consumer advocates" wrote on its blog; "It is simply not enough to find out why the pipeline sprung a leak that ignited into a fireball. We want to know why inspections of that pipeline never identified the risk of a leak, and whether safety is the priority at PG&E" (Winter 2010), indicating that people are not satisfied with the safety regulations on the pipelines from PG&E, believing the lack of sufficient safety regulations could have caused the explosion. The independent stakeholders we identified in our analysis, have shown lack of confidence in PG&E in the aftermath of the accident, mouthing concern about lack of transparency from the company, as well as concern regarding the slack in securing the pipelines: "PG&E told the state utilities commission in 2007 that the section had an unacceptably high risk of failure. Those repairs have not been made" (New York Times; Sept. 18), and "Our lives is literally in PG&E's hands, and that's scary" (TURN; n/a 2010).

Another source of criticism and concern have been whether the company will charge its customers for the costs related to the accident rather than taking it out on its investors. For instance, the New York Times (Sept 18, 2010) wrote "... when PG&E stumbles, the customers largely foot the bill", and further, "As investigators examine why the rupture occurred, PG&E's ratepayers - including those returning to the badly damaged neighborhood - are most likely to bear much of the cost". Many people questions PG&E's motives and are afraid the company cares more about providing shareholder wealth rather than the safety of its customers and the residents of California: "There will only be an incentive to maintain the system properly when the utility knows it may face the wrath of its shareholders if there is system failure" (New York Times; Sept. 18). The question that arose among some stakeholders was: "Why has PG&E failed to complete pipeline repairs that customers were charged for?" (TURN; Winter 2010).

Also some government officials have expressed their mistrust in PG&E publicly. The National Transportation Safety Board (NTSB) was appointed as the investigator of the San Bruno fire, and during the investigation a NTSB chairman called PG&E; "*a reckless enterprise that was obviously an exercise for their financial situation, not safety*" (TURN; Jan. 10, 2011). Further, Californian senator Florez expressed concern regarding PG&E's lack of transparency and

openness: "PG&E's culture of concealment is so deeply rooted that it's now putting false words into the mouths of federal investigators" (TURN; Oct.15, 2010).

Much of the criticism have, however, been aimed at PG&E's apparently close relationship with its regulators: "[TURN] especially wants to know why the CPUC has been asleep at the wheel when it comes to its oversight of PG&E" (TURN; Winter 2010); and "Pipeline safety has not been a primary focus for state regulators" (New York Times; Sept. 18). There also seems to be a belief that PG&E has too much power over its competitors and regulators; "The relationship between the utility, its regulators and customers is complex" (New York Times; Sept. 18), and "We have long worried that CPUC has been unable to fulfill its duty to vigorously defend the public interest because it is not independent enough from the companies it regulates" (TURN; Winter 2010). In other words, they are raising a concern that those in charge of regulating the industry are biased, and that the regulations are not executed in an appropriate manner.

Lastly, we have the response of the definitive stakeholders; i.e. the investors and the financial institutions. The first day after the explosion, PG&E's shares took a significant hit: "PG&E shares lost more than 8% on Friday (...) In terms of market cap of PG&E, more than \$1.2 billion was shaved off by investors as a result of the explosion" (The Street; Sept. 13). The drop made the company's shares among the market's biggest losers of that day. Overall, the financial market and investors seemed to have confidence in the company's financial strength, although the level of uncertainty among investors have been mixed throughout the first three months after the incident; "...the analyst ranks are split over whether the pipeline explosion is reason to shift a view on shares of PG&E" (The Street; Sept. 13) These mixed perceptions were represented by reactions of the different credit ratings agencies. For instance, Moody's Investor Service felt secure about the company's handling of the situation and stated that "its credit ratings for PG&E Corp. (...) are not affected by the deadly gas pipe explosion in California" (Yahoo! Finance; Sept.13); while Standard & Poor's Rating Service listed PG&E on its negative CreditWatchlisting, claiming " [it] reflected uncertainty regarding the ultimate costs of the San Bruno blast, the potential reputational damage to the utility, and the possibility that the incident could weaken the utility's constructive regulatory support" (Reuters; Dec.15)

The implications the explosion had on the regulation of the company seemed to be of major concern among the credit rating agencies. Moody, for instance, was concerned "the explosion could lead to increased scrutiny of the company by regulators" (Yahoo! Finance; Sept. 13). The reputational effects related to the gas explosion were also among the main reasons for the investors increased level of uncertainty; "While it is premature to assess the potential liability for PG&E from this tragic event, we do observe that the San Bruno explosion represents yet another piece of negative news involving the company in its territory during the past year" (Yahoo! Finance; Sept. 13). Nonetheless, as the first months went by, the confidence among the investors was regained. Bloomberg noted on November 4, 2010 "The estimated expenses from the incident 'appear to be well below investors' worst fears'". Further, on December 15, Reuters could report that Standard & Poor's Ratings Service had resolved its negative CreditWatch listing for PG&E, concluding, "The outlook is stable".

## 4.2.3 c) Summary

By looking at and comparing statements made by PG&E itself and some of its stakeholders, we have identified some differences in the perception of the company's response approach. The company's response tactics have not changed notably over the timeframe of our analysis. PG&E

1	Determined and reliable	
2	Regretful & Empathic	According to PG&E
3	Accountable	
4	Cooperative	
5	Promotion of generosity & social responsibility	
6	Demand for accountability and justice	According to the stakeholders
7	Claim of neglience & recklessness	
8	Profit focus	
9	Claim of secrecy & insincerity	
10	Claim of biased relationship - Demand for increased regulation	
11	Financial confidence	
12	Concern for increased regulation & reputational implications (investors)	
13	Uncertainty among investors	

is trying to operate as a determined and accountable company, where it focuses on showing customers, and residents of San Bruno, that it will do everything it can to resolve the situation. The company's stakeholders, on the other hand, are not similarly satisfied. Many believe that PG&E has neglecting pipeline repairs and that its safety regulations are undermined by the profit focus. There have also been

speculations about the close tie between PG&E and its regulators, where it is noticed that there might be some asymmetric power relations, leading the regulators to being biased in their judgments. The financial market and investors seem to have kept its confidence in the company,

although, some uncertainty followed closely after the explosion; but, as PG&E seemed to be handling the situation accordingly and the costs never exceeded the investors' worst fears, the confidence was regained by the end of the fiscal year of 2010 (see summary of the themes in **Table 4.2.3**; and quotes sorted according to the respective themes can be found in the **Appendix no. 6**).

CHAPTER 5 -

DISCUSSION

## **5.0 DISCUSSION**

In this section, we will discuss and analyze our findings in the analysis in relation to the academic literature presented in the literature review. Based on our findings in the previous chapter, we will first present the most significant challenges the companies were facing while communicating on social media during the crises. Further, in order to discuss the case analysis and empirical findings in relation to the crisis response from the respective companies, we will bring in literature on crisis management and crisis communication; with Coombs' (2007) theory of crisis response in particular.

## 5.1 Identifying the main challenges

When looking at the empirical findings from the analysis, it is noticeable that all three companies are experiencing some challenges, although in differing extent.

First, BP failed to exploit the possibilities of social media-communication to its full extent from the very beginning. The involvement appeared late (first Facebook-post appeared 8 days after the accident), and the information provided was limited in the beginning; i.e. the company did not start to use social media actively until one month after the accident. Further, the communication sometimes appeared ambiguous; e.g. while the company wanted to show accountability and reliability, it also tried to shift the responsibility over to the other parties involved. Thirdly, during the first few months the communication was more in an informative fashion, i.e. did not invite the stakeholders to engage in a two-way conversation. Lastly, BP's spokespersons fumbled with their words during the most critical times. Especially CEO Hayward received a lot of criticism for his "arrogance" and attempts to trivialize the situation. To many stakeholders this was interpreted as though BP was not concerned about the environmental damages the company had caused in addition to the destroyed livelihoods of the residents along the Gulf Coast; rather, the company's bottom line seemed to be of top priority.

Second, there is Chevron, which unlike BP, has been an active user of social media throughout the last years. However, even though the company has engaged heavily in its social media presence, its crisis response has not been according to the book. First, as previously noted, the company aims to disclaim itself from any criticism, especially regarding the contamination of the Ecuadorian rainforest, and thus negative comments and postings are either disregarded or filtered completely. The only information available on Chevron's social media sites regarding the case are hand-picked articles or blogs in favor of the company; i.e. providing the stakeholders with a skewed picture of the case. Second, Chevron uses social media as a means to show availability and transparency towards it stakeholders, but by withholding and controlling information it breaks with the core of social media. Lastly, Chevron works hard to promote itself as a company highly engaged in CSR activities (e.g. "We agree - Oil companies should support the communities they're part of" and "Oil companies should put their profits to good use" (Chevron Corp., 2010)) all the while neglecting its liability suits regarding environmental contamination and human abuse completely. Chevron's "We Agree"- campaign got completely overshadowed by the Yes Men-campaign, mostly due to this negligence, and the company was once again accused of greenwashing.

Lastly, looking at PG&E's response, there does not appear to be any immediate challenges concerning its social media usage, although crisis communication is always challenging. The most apparent challenges we have recognized for PG&E are; first, the company was already struggling from bad publicity and a negative public image related to some PR missteps prior to the Sept. 9 gas explosion. Second, PG&E has an almost monopoly position as a gas transmission utility in the Central and Northern California, in addition to having a close relationship with its regulators. Many stakeholders have been worried whether this position has contributed to PG&E neglecting pipeline maintenance and safety, and there is thus a demand for increased scrutiny and regulation of the company and other similar utilities. Third, PG&E appears accountable and reliable through its social media communication, claiming that getting the situation under control and rebuilding the community are of top priority. Nevertheless, many have still accused the company of withholding important information, especially in regards to gas leaks reported in the weeks *prior* to the explosion, in addition to repairs to the pipeline which the customers have been charged for and that were supposed to be performed years ago.

## 5.2 Traditional approaches for crisis communication

In this section we will introduce and discuss the three traditional recommendations for crisis management response presented by Coombs (2007); which is to: respond *quickly*, be *consistent*, and *open*. Coombs (2007) argues that communication represents unique challenges during the response phase, and that stakeholders should be informed about the crisis and what is done to address it and further the organization's progress to revitalization. The first impression of the crisis management plan always form the way the stakeholders will perceive the response, so it can be essential for the company to inform stakeholders as quickly as possible, and further continue to provide them with information throughout the response period (Coombs, 2007).

### 5.2.1 Respond quickly

As aforementioned, the need to respond quickly has escalated in recent years through the development of the World Wide Web, and social media in particular. People around the globe are now sharing information and communicating with each other daily through social media sites like Facebook, Twitter, YouTube and Flickr, to name but a few, making it extremely important for companies to join and contribute to these networks, especially when dealing with a crisis. Coombs (2007) states, "the quicker the stakeholders can hear about a crisis from the media, the quicker the crisis team must response" (2007; 128). However, the new approach is no longer purely connected to media news, rather information passed on through word-of-mouth; or e.g. from one Twitter user to another.

A quick response is of great importance, even if it sometimes causes inaccurate information, as Coombs (2007) says; "*the benefits of a rapid initial response far outweigh the risk*" (2007; 129). When investigating the response time of the three case companies, it is obvious which company that had the quickest and most accurate response when experiencing a crisis. PG&E, as aforementioned, responded on its corporate Twitter and Facebook pages immediately after the gas explosion in San Bruno occurred. The response was short, nonetheless, providing the most essential information regarding what PG&E were doing in the situation, where to go or call for emergency help and get further information, in addition to providing an apology to those affected by the accident. BP, on the other hand, was far slower in its response. The company appeared to be completely caught off guard by the explosion and related oil spill. On April 20<sup>th</sup>, 2010, the day of the fire and following sinking of the Deepwater Horizon drilling rig, BP was celebrating seven years without an accident on the rig ("BP: Eye of the Storm", 2010). The company also concluded a year prior to the accident that a crisis like this was very unlikely to occur; and consequently, the company was not prepared for a crisis of this extent. While waiting as much as 8 days before posting its first Facebook note and not starting to use the social media sites actively until a month after the accident, BP allowed for others to take control of the information and online conversation. Coombs (2007) argues that silence is a passive response, which can reflect uncertainty and lack of control. Silence can also allow the mainstream media to make up their own story of the case, and define it to the company's stakeholders. This is exactly the opposite of what a company should do when struck by a crisis, and what BP was perceived of doing. BP's silence made the company look incompetent, which clearly affected the company's credibility among its stakeholders and the public. Even if the situation is not under control, and the crisis team is lacking sufficient information, it is always better to provide the stakeholders with information about what the company do know so far, and then come back with additional information later on.

The Chevron-case has, as aforementioned, been lasting for more than 17 years; the focus of the analysis here has therefore been on events occurring during the last year. For instance, when the fake "We agree"- campaign was released in mid-October 2010, the company was quick to respond, albeit the way it responded was not necessarily convincing. Unlike PG&E, Chevron disclaimed itself completely from the issues raised by the spoof campaign, purely taking on a defensive stance trying to shift the negative focus onto those responsible for the spoof (e.g. "*these activist groups are not interested in contributing to the conversation*" Chevron, Facebook; 2010). A similar response was posted when Chevron was found guilty in the Ecuadorian trial in February 2011 (e.g. "*Chevron will appeal this decision in Ecuador and intends to see that justice prevails*" Chevron, Facebook; 2011). These types of responses do not provide the stakeholders with any information regarding the situation or answers to the questions raised; rather, by avoiding the confrontation, it could be interpreted as the company being uncertain and troubled about the situation (Coombs, 2007).

## 5.2.2 Speaking with one voice: Consistency

Coombs (2007) argues that it is important for organizations to deliver consistent messages to stakeholders, speaking with one voice. This means that one should coordinate the efforts of the official spokespersons and discourage other organizational members to speak about the company in public. Coombs (2007) further argues, "consistency is essential to building credibility, the credibility of response" (2007; 131).

PG&E seems to be the *one* company, which has spoken with consistency throughout the whole response period. PG&E has had employees working directly with responding through the corporate pages of Facebook and Twitter, and it is through these pages that most of the information from the company was given (of course in addition to regular press releases). We did not find any apologies for wrongful information; i.e. no confusion as to whether the information provided was correct. In addition, when looking at the feedback from the stakeholders regarding PG&E's response, we have not found much to imply the contrary.

BP, on the contrary, had more issues related to consistency. First of all, when looking at the statements on BP's corporate pages of Facebook and Twitter from the empirical findings, there exists some inconsistency in the overall response during the first months of the crisis. The statements shifted from first disclaiming responsibility, to taking accountability for the situation and eventually being apologetic towards the affected parties. This shift could be explained by the increasing pressure and involvement of the U.S. President and Government, which had promised the public that it would make sure BP was held accountable; but, the inconsistency also appeared as the company grew with the situation, continuously learning from its mistakes.

Chevron has been consistent in its response related to the lawsuit throughout the period; although taking on quite a different approach than PG&E - defending itself from any claims and consistently accusing the other party of trying to frame the company, and of leading an illegitimate lawsuit against the corporation. As consistency is a means to build credibility (Coombs, 2007), Chevron has not succeeded on this point. Even though the investors support the company, as Chevron continues to battle the lawsuit and at the same time releases more

"greenwashing" campaigns, the credibility among the majority of its stakeholders seems to be decreasing.

## 5.2.3 Openness

Coombs (2007) argues that openness means a) availability to the media, b) willingness to disclose information, and c) honesty (2007; 132). This means that a company's spokesperson should be able to answer inquiries immediately if the information is there, be honest and provide stakeholders with the information they are entitled to (Coombs, 2007).

Again, by examining PG&E and its openness towards the public, one can say that by informing its stakeholders from the moment of the accident, the company demonstrated availability and willingness to disclose information. However, by looking at what stakeholders have alleged about the response, it can be argued that PG&E was not perceived as being completely honest nonetheless. People were questioning the company's safety regulations of the pipelines and what the customers' money had been used to if it was not on pipeline repairs. Obviously, when a company is struck by a crisis of this caliber, there will be people questioning the accident to reveal or not. Even so, according to Coombs (2007), the important factor is to reveal information about the crisis, which we can conclude is what PG&E has done in this case.

Chevron, conversely, cannot be characterized as particularly open and honest in its communication to stakeholders. The response may be quick and consistent, but if the information provided is to avoid taking accountability or responding to accusations, stakeholders will perceive the company of being dishonest and withholding valuable information. Chevron's communication is more focused on blaming everybody else, instead of providing its stakeholders with real information regarding the case, and the company's side of the story. The company has been accused by many of its stakeholders of using dirty tricks and tactics in its attempt to free itself from the charges in the Ecuador lawsuit. Chevron seems to be trying to avoid responding to any criticism and rather attempting to convince people of its good efforts and innocence in the words of flashy PR campaigns; but as we have seen, with the increased availability of information online, the company is no longer able to hide behind promotional campaigns.

Openness and honesty is the key to make people believe in and trust what you are saying, because the truth will be revealed some way or another.

BP has also been accused of not being open about the crisis situation. The company was withholding information at the start of the crisis, most probably due to lack of control over the situation, and therefore its stakeholders were not provided with the information they needed. The company was further accused of trying to control the available information by, for instance, buying search words related to the oil spill on the major search engines like Google. Coombs (2007) argues that if the company is not in the position to inform stakeholders about the situation, it is better to tell stakeholders *why*, and *when* they should expect a response from them. He further states, "*never let a request go unacknowledged*", because then you will risk jeopardizing the stakeholder-organization relationship (2007; 132). Based on this assumption we can argue that it would have been better for BP to inform its stakeholders and respond to inquiries with the information the company had at the time, rather than keeping quiet. Trying to keep information from the public will most likely backfire and lead to a cycle of vicious nature. Understanding and empathy go a long way, but in the end it is the facts that make you succeed (Brønn & Berg, 2005).

## 5.2.5 Summary

In this chapter we identified the main challenges that the companies were facing during its crisis response. The findings were discussed based on Coombs (2007) theory for crisis response by responding quick, consistent and open. Throughout the discussion it remained clear to us that all three companies had difficulties in its crisis response and communication with stakeholders, although some more than others. PG&E gives the impression of having a proper crisis management plan in order, which, most importantly, seemed to be sufficient when the company needed it. The company's response was quick and straight to the point, as well as consistent. Openness is something that the company could have been better at; although, it is doubtful one will ever experience complete honesty from a company. BP, on the other hand, has admitted that it was not prepared for a crisis of this extent, which was evident to the public as well. Its response was not quick, nor consistent or open. However, the company seemed to seemed to learn from its initial mistakes throughout the period, and hence worked to improve the response tactics. Finally,

we have Chevron's crisis response, which is quite different from the other two companies. The company can be characterized as quick, but the consistency and openness are areas where there is room for improvement.

As noted in the crisis communication section in the Literature review, the goal of crisis communication is not merely to calm inflamed concerns of the stakeholders; it is to inform the public so that they can have a more rational view on the decisions during the crisis (Brønn & Berg, 2005). Our belief, and the basis for this thesis, is that with the increasing importance of social media it should be incorporated as a part of the crisis communication plan. As we have seen, all of our three case companies have engaged in social media activity during a crisis situation, however, their efforts have not been all successful. What kind of knowledge that can be taken out from this analysis is thus the next subject for this thesis. The last chapter will answer our research question as well as supply some golden rules for companies on how to use and include social media into their crisis communication plan.

## CHAPTER 6 -

# **CONCLUSION, MANAGERIAL RECOMMENDATIONS** & LIMITATIONS

## 6.0 CONCLUSION, MANAGERIAL RECOMMENDATIONS & LIMITATIONS

Our research question was:

# How can companies of the 21<sup>st</sup> century utilize social media as a communication tool when dealing with stakeholders in a crisis situation?

The main goal of this study was to highlight the increased importance of social media to businesses. Our argument was that the emergence of social media has brought with it new challenges as well as possibilities for crisis management. The research aimed to examine how companies today can utilize and incorporate social media into the crisis management plan to improve the communication with the stakeholders.

Our assumptions and claims have been based on existing theories on the topics of crisis management, communication and crisis communication, in particular. For the analysis we examined three individual companies within the oil and gas industry in the United States, namely BP, Chevron and PG&E. By assessing the crisis response and communication efforts of each of these three cases and compare them, we were able to reveal differences in their approaches. The lessons taken from these three companies' communication efforts through social media have been the basis for our final proposition and recommendations, which will be outlined shortly, on how social media can be implemented as a communication tool when dealing with a crisis.

This last chapter will start by presenting our main findings and conclusions drawn from the analysis, second, it will provide a proposition including managerial recommendations on how social media can be implemented into the crisis communication efforts of a company. Lastly, it will highlight the limitations associated with this thesis and research process, and finally propose some suggestions for further research within the field.

## 6.1 Conclusion of results

Birgfeld (2010) argues that "the principles of crisis communications have not changed in today's Web 2.0 world, but the conditions have". In other words, successful crisis handling is no longer

just based on responding quickly, consistently and openly, it is also about utilizing the right communication channels in order for these original conditions to be met efficiently. As we have seen, the age of internet has contributed to making people more informed and hence empowered; the online community works as a democracy where each voice has a say, which allows people to demand more from their companies. Increasingly accessible internet connections has enabled people to be online wherever they go; if not in front of their computer, people use their smartphones<sup>25</sup> to e.g. share thoughts, report on their actions or happenings in their vicinity, connect with friends and family, post pictures of distinctive events etc.

*"Tell* me and I will forget; *Show* me and I may remember; *Involve* me and I will understand"

Confucius 450 B.C.

In order for a company to gain the best reputational effects in the aftermath of a crisis, we believe the company would have to focus more on two-way communication aimed at involving the stakeholders (ref. statement by Chinese philosopher Confucius), rather than just pure informative one-way communication (e.g. press releases). As aforementioned, social media is built on

traditional notions of human interaction/communication and social media sites are thus particularly important in this manner, allowing for stakeholders, e.g. environmentalist groups, investors and customers, to engage and share information with each other. The increased use of online communication has contributed to making the stakeholders more enlightened and hence empowered. This has had an impact on e.g. the notion and demand for corporate social responsibility, which was particularly noticeable in the cases of BP and Chevron.

For our analysis we chose three different companies who all have engaged in social media activities during a time of crisis, albeit with differing success. Based on the findings from our case analysis together with the discourse analysis and discussion, we will now present the main findings and conclusions we have drawn, related to each of the companies' social media efforts.

## 6.1.1 Main findings from BP and the Gulf of Mexico crisis

BP had much difficulty with its overall communication efforts throughout the crisis response period, and its social media efforts were no better. Although the company had its accounts in place prior to the crisis, it had only been used occasionally, and it took the company a whole

<sup>&</sup>lt;sup>25</sup> For more information about smart-phones: <u>http://cellphones.about.com/od/smartphonebasics/a/what\_is\_smart.htm</u>

week before its first Facebook note was posted, and another few weeks until the company started using its social media accounts more actively. Then it was already too late. While BP kept quiet, the social media sphere was exploding with discussions regarding the oil spill; in other words, BP failed to take control of and contribute to the conversation from day one. While examining what was actually said, we noticed a change in BP's response; i.e. the communication was far from being consistent. Throughout the first three months after the sinking of the Deepwater Horizon oil rig, BP went from taking no responsibility and showing no empathy for the impinged stakeholders to becoming very regretful and apologetic in the aftermath of the catastrophe.

Whether BP would have had the same development in its communication response without the pressure from the U.S. Government is hard to tell; but, all the while, it seemed as though BP took much knowledge from its, at first, failed communication efforts, and worked hard to continuously improve (e.g. bought social media solutions from PIER systems<sup>26</sup>, in order to improve its social media response). In the aftermath of the crisis, Hayward himself claimed that due to his background as a geologist he was not well enough prepared to deal with the media-pressure, and should thus have received more training and preparation ("BP: Eye of the storm", 2010). Needless to say, while a company is preparing for a crisis, a major part of this preparation process is to train the company's spokespersons and communications team on dealing with stakeholders, the media, and now also social media, while under pressure.

## 6.1.2 Main findings from Chevron and the Ecuador lawsuit

Chevron has won much praise for its social media efforts and engagement, where it has opened up for a more two-way dialogue with its stakeholders. The company has established its own social media team which constantly works to improve and develop Chevron's social media presence. As Justin Higgs, Chevron's new media adviser, said: "*I do all things social media*" (Koroséc, 2009). Chevron has been acknowledged for taking a riskier and more innovative approach because it is not simply sending out controlled messages; company leaders are allowing Higgs and his team to argue points on Twitter and in the greater blogosphere (Koroséc, 2009). Much of these efforts, however, are used for "*crisis communication*" purposes, or more directly, to monitor and correct "*misinformation about Chevron*", particularly in regards to the Ecuador-

<sup>&</sup>lt;sup>26</sup> For more information on PIER systems: <u>http://www.piersystems.com/go/doc/1533/163949/About-PIER-Systems</u>

lawsuit (Koroséc, 2009). This is where the first issue arises. Chevron spends a lot of time and energy on filtering the information provided on its social media sites. As previously noted, the company will never use its social media sites to claim guilt in the Ecuador trial. However, as blogger Josh Hart (2010) so nicely put it: "*a funny thing about social media is that it generally isn't filtered through the tightly controlled lens of the mainstream media*". Filtering and controlling information breaks with the whole democratic idea of social media, where everyone has the same right to post their opinion.

The other main issue we identified while assessing Chevron's crisis response was the evident lack of trust among its stakeholders. Chevron works hard to promote itself as a socially responsible company, e.g. continuously giving back to the communities it operates in and caring about the environment. The company spends a lot of money on telling the public about its commitment to CSR, but as long as the Ecuador lawsuit (among others) remains unresolved, the effect will never be purely positive. As we saw from the "We agree"-campaign where the company completely avoided responding to the criticism head on, and rather threw out accusations; it ended up giving the quite opposite effect and increased the negative attention concerning the company instead. New anti-Chevron pages and groups were established online, and there was even a competition where people could send in their own contributions to the "We agree"-campaign on www.chevronthinkswerestupid.com, where the argumentation was: "The folks of Chevron must really think we're stupid. They think we'll fall for their ridiculous attempts to greenwash the company's image, even while Chevron refuses to clean up its oily mess in Ecuador and around the globe" (ChevronThinksWereStupid.com, 2011). Related to our previous issue, Chevron clearly has some trouble concerning how to use social media under times of crisis, i.e. not knowing how to handle criticism and negative attention. The company believes it can operate after previous traditional notions where people easily will be convinced by PR campaigns and what is presented in the mass media. However, the stakeholders of today are more enlightened and empowered than ever before, trusting peer recommendations over ad campaigns; so if you have something to hide, social media is definitely not the place to go hiding.

## 6.1.3 Main findings from PG&E and the San Bruno gas explosion

PG&E seems to be the company with the most efficient crisis communication plan in place, out of the three. Among its main communication channels were the social media sites of Facebook and Twitter, where the company kept its stakeholders up-to-date on the latest events and developments at all times. The response was characterized as determined and reliable, in addition to showing empathy and regret towards those affected by the situation. While looking at the stakeholder response, we could not find many comments or much criticism related to the way PG&E responded, or did not respond; rather, much of the criticism was related to pipeline security failure *prior* to the explosion. One can thus draw a small conclusion that PG&E managed to respond quickly and sufficiently to the crisis. It should be noted, however, that this crisis was of a much smaller magnitude than BP and Chevron's and the environmental impacts where not severe, hence, the pressure for information from the public was not as intense as in the other two cases.

An important factor when it comes to the use of social media is the ability of two-way communication, which means that you are able to easily respond to requests and inquiries from your followers. This is something PG&E has taken use of during the response period after the San Bruno accident. For instance, many of the tweets on its Twitter account (PGE4Me) started with an @ or RE, meaning that the company was replying to questions or forwarding relevant information. Even criticism was responded to and taken under evaluation.

Through its active usage, PG&E demonstrated how social media can be very effective and helpful during a critical time when people are desperate for information and have trouble getting through on "traditional" communication tools (e.g. phones). This does not mean the crisis was by any means diminished due to these actions; after all, people died, got injured and homes were destroyed. Nevertheless, at the end of the day, when everything is settled, PG&E will get credit for its "concern, action, assistance and good will", which will go a long way in crisis management and brand recovery (EveryDay PR, 2010). In the aftermath of the accident, the company has been focusing on regaining customers' and other stakeholders' faith in the company by e.g. informing about pipeline safety and its program of improvement for future years. It should, in this context, be noted that the San Bruno accident occurred approximately half-a-year

after the BP incident, and it looks as though PG&E might have taken knowledge from observing the amount of criticism BP received for its failing crisis response.

## 6.1.4 Summary of conclusions

From our main findings we can conclude that the company, which utilized social media as a communication tool from the beginning of the crisis and throughout the whole response time, is also the company which seems to have recovered best as well. PG&E was using social media as a means to communicate efficiently with its stakeholders, i.e. maintaining a proper stakeholder dialogue. By using social media sites, the company was also able to spread the information wider in addition to control the information flow. Disseminating information quickly is alpha omega in today's Web 2.0 society, and engaging in two-way communication between the company and its stakeholders is the best way to monitor what is being said about your company which again is important to the company's reputation and image recovery.

# 6.2 Managerial recommendations - how to implement social media efforts into the crisis communication plan

Many experts have tried to come up with some advice and guidelines on how social media can be utilized in a business setting; however, since every crisis is unique, there is really no "*one* right way" on how to make use of it. This section will provide some recommendations on how social media can be implemented and utilized as a communication tool pre-, during, and post-crisis, based on our analysis of BP, Chevron and PG&E.

First, despite the ever-changing environment, the *basic rules for crisis communication have not changed*. The crisis should be handled quickly, accurately, professionally and with care. However, social media has taken the communication plan to a new level by speeding up the process, in addition to adding honesty, sincerity and transparency. Second, *do not wait until after a crisis has occurred* to build the company's social media efforts. Social media tools can be an effective and powerful tool in crisis handling, but *only* if you have been using it to engage people long-term (Rhodes, 2009). According to Coombs (2007) "*Stakeholders may find that the news media are their primary or initial source of crisis related information*" (2007; 129). As mainstream media may provide erroneous information, the companies should strive to become

the number one source for information regarding a company crisis or other important issues. It is thus advisable for companies to establish corporate social media accounts (e.g. Blog, Facebook, Twitter, Flickr), where they constantly provide their stakeholders about current situations and developments as well as creating an open environment for dialogue, allowing for stakeholders to share their thoughts and come with inquiries to the companies. So when a crisis strikes, people will recognize these corporate pages as the place to get in contact with or get the information they need. By engaging and contributing to the conversation, it allows for the company to take leadership of what is being said about it, in addition to making it easier to correct misinformation that may arise. Nonetheless, it should never be forgotten that social media is a *democracy* and companies should never attempt to control the information flow; that will only make the company appear dishonest and secretive. Our point is that people will talk about you either way, so why not make sure to be a part of the conversation. As Birgfeld (2010) said, "while social media has become the weapon of choice for angry masses to fuel the fire of negativity, it is also the best asset for crisis management". Without a social media presence in place, the company will find it much more difficult to go in and interfere the conversation when things go wrong. This was particularly true for BP which, although it had social media accounts in place, had not been using it actively; and it made it difficult for the company to take part in the conversation with its stakeholders later on.

Third, never forget that *social media is a democracy*, i.e. everyone has the same rights to express their opinions. It is easier to control mainstream media than e.g. 10,000 stakeholders, but people are allowed to make negative comments about your company and its brand; it is thus the company's job to turn the negative comments into positive ones. Listen to what people are expressing, and use it as a source of knowledge. If you manage to provide great customer service, it can go a long way in impressing your customers and increasing their likelihood of giving you positive referrals, which brings us to our next recommendation. Instead of avoiding the criticism, like Chevron has done, companies should try to *involve/engage the people talking about your company and brand*. By using social media effectively, you will be able to take charge of the dialogue. Meet the criticism head on and respond to complaints in a direct and informative manner; like we saw from the PG&E's example where the company responded to claims regarding gas leaks prior to the explosion. By keeping an open and honest communication with

its stakeholders, the company has an ability to empower its followers to help them work on its own behalf – such as spreading out the correct information, latest up-dates etc. (E.g. how PG&E used Twitter when spreading and responding to requests regarding missing people from the explosion and fire).

Fifth, a company should *never underestimate the speed of social media*. As we have already mentioned, unlike traditional media sources, social media happens in real-time. Information spreads within seconds, and it is thus important that the company monitors it closely and is able to respond quickly to any discrepancies. E.g. Twitter has been called *"the single best crisis warning system ever developed"* (Birgfeld, 2010). This is where PG&E did a particularly good job, while BP failed completely (in the beginning). The company should set up a communication's team that take ownership of the task, or hire someone to help it out. For instance, PIER systems have been an increasingly popular solution for social media tracking. PIER, which stands for "Public Information Emergency Response", was developed in 2000 as a web-based solution for crisis communication management, mass notification, public and media relations, employee communications etc. The system is meant to make it easier to control the dialogue and release information to the mass in a short amount of time during minor incidents, major catastrophes or just routine events. Some of those who have implemented PIER systems are big oil companies such as BP, Shell, Statoil and Marathon, as well as U.S. Government organizations (PIER systems, 2011).

This brings us to our next recommendation - social media should be utilized as a means to *keep people up-to date*. Again, as we saw from the PG&E gas explosion in San Bruno, when the situation was chaotic, Twitter turned out to be the single best source for information. The company as well as other engaged people kept a live-stream of tweets providing the affected people with sufficient information regarding hot-lines, emergency services, the fire extinguishing, missing/found people and so on. This is something BP failed to take advantage of whilst waiting too long to take use of its social media sources. Even after the midst of the heat is over, make sure your stakeholders are continuously updated on the latest news. As aforementioned, even though you do not have all the answers, tell people what you know, that you are looking into it and will come back with information as soon as possible.

Last but not least, if it turns out to be the company's *fault – do not hesitate to admit it.* To requote our opening statement by J.Jarvis (2009): "*To stand up and admit your mistakes makes you trustworthy and it makes the audience believe that you also in the future will fix your mistakes*" (2009; 111); i.e. being open and honest towards your stakeholders gives you more credibility and time to re-do your initial mistake. People have easier to forgive you when you admit a mistake rather than if you were to be caught in a lie. This relates to the notion of honesty and openness. Social media has increased transparency drastically, meaning no action is safe of getting unnoticed. E.g. BP tried to point its finger at other companies for a long time, but eventually the company was forced to admit responsibility, one month after the oil spill started. Chevron has used a lot of time and effort trying to disclaim itself for the Ecuador liability. Whether the company is guilty or not, it has received much negative attention and outcries concerning lack of accountability and honesty related to the case, much which could have been prevented if the company had responded differently. PG&E, on the other hand, did the complete opposite and took on responsibility from the very beginning, even though it was not yet determined whether the company was the scapegoat or not.

## 6.3 Limitations

Before finalizing the paper, it should be noted that this research has its limitations. First and foremost, our sample size is relatively small and as previously mentioned, only based on one single industry, which makes the results hard to generalize to other industries in other parts of the world. Second, we could have based the research on a larger number of stakeholders. This particular information was, however, difficult to collect, especially in the case of PG&E. Here, fewer stakeholders were involved in the crisis, which made it particularly difficult to find critique and comments related to the company's response efforts on social media from a diverse specter of stakeholder groups. The ideal research would probably have been to conduct interviews with the different stakeholders from all the three companies, but, unfortunately we did not have enough resources for this research to do so. The PG&E case became, overall, a much smaller case than both Chevron and BP, which made it difficult to compare them. Likewise, Chevron is such a complex case, going on for almost two decades and still counting, making it similarly hard to find

similarities to the other two cases. Additionally, being such an old case there is not the same demand for urgency.

Another limitation we have recognized relates to the fact that we have only based our analysis on online information, which has made it difficult to find the really good sources in the jungle of information available. This can easily have affected our findings and conclusions. A final limitation we would mention is the easiness of becoming biased while interpreting and drawing conclusions from our findings. We have consciously been aware of this throughout the process, and have tried our best not to become too biased, although seeing that it is a qualitative analysis based on interpreted data it is hard not to be in some extent. Further, the fact that we have only been two people for this research and have not had anyone else to read through our conclusions, may have affected the results.

Thus, for future research on this topic we would like to suggest using more cases, larger sample sizes, from more diverse industries and from other parts of the world, this to see whether the same conclusions can be drawn. Second, it would be interesting to investigate the difference between companies that use social media and others who do not, to see whether there exist any distinct differences in the success of recovering. Lastly, it could be an idea to take use of other methods of data collection, e.g. interviews, questionnaires etc. to improve the richness of the data.

"Social media is about the people! Not about your business. Provide for the people and the people will provide for you" *Matt Goulart* (2010), webstarcontent.com

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#### APPENDIX 1/6

			s response related to the oil spill in the		1
ource	Link	Date	Quotes	Quotes translated	Themes
P America			PD plodges full support for Deenwater Horizon	This is not BD's assidant, but it will support the	
acebook -note	# BP America official fanpage	April 28, 2010	BP pledges full support for Deepwater Horizon probes	This is not BP's accident, but it will support the clean-up response	Determined and reliable
			Announces its support and cooperation with U.S.		Cooperative and
			Government investigations from the sinking of the Transocean drilling rig	The company takes on responsibility to help	accountable
			Deepwater Horizon	This was not BP's drilling rig	Disclaim responsibility
			Losing 11 of our industry colleagues	This was not our people	Disclaim responsibility
			As an industry, we must participate fully in these	CSR promotion - trying to take on a leadership position and make the rest of the industry follow	
			investigations	their example	Determined and reliable
			the explosion and sinking of the Transocean		
			Deepwater Horizon Last week BP launched its own investigation into	This was not BP's drilling rig	Disclaim responsibility
			the incident an has an investigation team at	Those responsible for the accident will be	
			work	accounted for	Accountability
acabaak nata	# PD Amorica official fannago	April 20, 2010	BP is mobilizing its full resources to fight the oil	You can count on BP to do the job	Accountability
acebook -note	# BP America official fanpage	April 30, 2010	spill which follows the sinking of the Transocean		Accountability
			Deepwater Horizon drilling rig	This was not its drilling rig	Disclaim responsibility
			We are doing everything in our power to	CSR promotion - BP is aware of the damage the	
			eliminate the source of the leak and contain the	leak is doing to the environment and will make	
			environmental impact of the spill	sure the damage gets as small as possible	Determined and reliable
			We are determined to fight the spill on all fronts	BP takes responsibility to clean up	Determined and reli-Li-
					Determined and reliable
			In the past few days I've (BP's CEO) seen the full extent of BP's global resources and capability	The CEO takes pride in the work his company is	
			being brought to bear on this problem	performing	Determined and adjusticable
					Determined and reliable
			We are determined to succeed	BP will make it right	Determined and reliable
			BP is today setting up offices in each of these		
			communities manned by company staff to	The company takes responsibility to help the local	
			provide information on what is happening, what is being done and any developments	communities	
			These efforts are in addition to the ongoing work		Accountability
			by Transocean, MMS, the U.S. Coast Guard, and	The company is not taking on the full responsibility	r
			the other organizations within the Unified	itself, it is a joint effort and responsibility	Cooperative and
			Command welcome the offers of further assistance we	The company cannot deal with this on its own, and	accountable
Facebook -note	#BP America official fanpage	May 01, 2010	have had from	is dependent on help from others	Cooperative
			We will be judged by the success we have in		
			dealing with this incident and we are determined to succeed	Failure is not an option since it will ruin the reputation of the company	Determined
			We are taking full responsibility for the spill and	BP takes responsibility for the clean-up, but not	Betermited
			we will clean it up	the accident that caused it	Accountable
			where people can present legitimate claims for damages we will honour them	You will get your money if you deserve it	Reliable
			damages we will honour them	iou winger jour money in jou deserve it	heidble
			The oil spill follows the sinking of Transocean's		Disalation and a statistic
			drilling rig Deepwater Horizon BP has called on expertise from other	This was not BP's drilling rig	Disclaim responsibility
			companiesto help it activate the blow out		Cooperative and
			preventer	BP is making sure that the job is done well	accountable
acebook -note	#BP America official fanpage	May 3, 2010	Hayward applauds President's statement on oil spill	BP want to have US Government on its side	Cooperative
		-, -, -, -010	The US Government leadership has been		Appreciative and
			excellent since day one	Brags about the effort by the US Government	Cooperative
			I agree with the President that the top priority right now is to stop the leak and mitigate the the		Cooperative and
			damage	BP is acting after the Presidents wishes	accountable
			I raiterated my commitment to the White Using		
			I reiterated my commitment to the White House today that BP will do anything and everything we		
			can do to stop the leak, attack the spill off shore,	BP takes full responsibility to make things right for	
			and protect the shorelines of the Gulf Coast We appreciate the tireless efforts of the many	the affected people along the gulf coast	Determined and reliable
			federal, state and local responders and the		
			volunteers, men and women who have worked	BP is aware of the problem it has cost the	
			tirelessly since the date of the accident to	communities, and appreciates their support in the	
			mitigate the damage	clean up	cooperative
			Our teams are working hand in hand and we look		
			forward to hearing more recommendations for	RD act after recommondations from the president	Cooperativo
			action from the President's visit today	BP act after recommendations from the president	cooperative
			We absolutely understand and share President	BP wish to dismiss any criticism it might have	
anaharik nat-	400 America - ff -i-l from	14-14 2010	Obama's sense of urgency over the length of	gotten and tell people that it takes the job	Cooperative and
acebook -note	#BP America official fanpage	May 14, 2010	time this complex task is taking We want to thank the President and his	seriously BP wish to show people that the company is	accountable
			administration for their ongoing engagement in	cooperating with the Government and appreciates	
		1	this effort	the help	Cooperative

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			BP - working closely with scientists and engineers from across the whole oil industry	The company is taking use of the best possible expertise and technology to get the leak fixed	Cooperative and accountable
			is focused on doing everything in our power to stop the flow of oil, remove it from the surface, and protect the shoreline	BP is taking responsibility to clean up after the accident	Determined and reliable
			We are working with state and community leaders to mitigate the impact on the lives and livelihoods of those who have been affected And while we continue in these efforts, we are	Giving a joint effort to help the affected communities out	Cooperative and accountable
			participating fully in investigations that will provide valuable lessons about how to prevent future incidents of this nature	BP find it important to investigate what caused the accident, and learn from it	Cooperative and accountable
Facebook -note	#BP America official fanpage	June 17, 2010	The explosion and fire aboard Deepwater Horizon and the resulting spill in the Gulf of Mexico never should have happened - and I am deeply sorry that it did	BP apologizes for the accident in the gulf of Mexico	Empathic and regretful
			When I learned that eleven men had lost their lives, I was personally devastated I want to offer my sincere condolences to their	Saying he feels with those who have lost one of their loved ones Hayward apologizes to the families and friends	Empathic and regretful
			friends and families	who lost someone in the accident	Empathic and regretful
			I also deeply regret the impact the spill has had on the environment, the wild life and the ecosystem of the Gulf We don't yet have answers to all these important questions. But I hear and understand	Hayward is sorry for the impact the oil spill has had on the environment	Empathic and regretful
			the concerns, frustrations - and anger - being voiced across the country	BP understand the frustration from people, and acknowledges it	Empathic and regretful
			I know these sentiments will continue until the leak is stopped, and until we prove through our actions that we will do the right thing	BP understand the fact that people don't find them trustworthy, and want to prove them wrong by doing the right thing	Determined and reliable
			We discussed [with the President] how BP could be more constructive in the government's desire to bring more comfort and assurance to the people of the Gulf Coast beyond the activity we have already done	Came to a conclusion toghether with the government on how to best secure that the people on the Gulf coast get the compensation they deserve	Cooperative
			We said all along that we would pay these costs -		Soperative
			and now the American people can be confident that our word is good I have been to the Gulf Coast [] I understand	The public should trust that the company will act according to what it says Hayward says he can relate to the affected people	Determined and reliable
			what they are going through	on the gulf coast	Empathic and regretful
			I promised them, as I am promising you, that we will make this right	BP gives it promise to the people that it will make things right again	Determined and reliable
			I am here today because I have a responsibility to the American people to do my best to explain what BP has done, is doing, and will do in the future to respond to this terrible accident I give my pledge as leader of BP that we will not	Hayward acknowledges his responsibility as the leader of BP to be accountable towards the public BP will do everything in its power to make things	Determined and reliable
			rest until we make this right.	right	Determined and reliable
			We are a strong company, and no resource will be spared	BP will use the money it takes to the clean-up	Determined and reliable
			We and the entire industry will learn from this terrible event and emerge from it stronger, smarter and safer	The company is commiting the whole industry to the responsibility and lessons to take from the accident	Cooperative and accountable
Facebook -note	#BP America official fanpage	July 2, 2010	BP deeply regrets the oil spill that has occurred in the Gulf of Mexico as a result of the Deepwater Horizon incident	The company apologizes for the oil contamination	Empathic and Regretful
			BP takes full responsibility for responding to the Deepwater Horizon incident	The company acknowledges its responsibility to clean up the oil-mess and stopping the leak	Accountable
DEFINITIVE STAKEHOLDERS - The Government					
The White House.gov	"Remarks by the President on the Gulf oil spill"	May 27, 2010	The American people should know that from the moment this disaster began, the federal government has been in charge of the response effort	The President wants to assure the American people that they are the ones in charge	Under Governmental control
			As far as I'm concerned, BP is responsible for this horrific disaster, and we will hold them fully accountable on behalf of the United States as well as the people and communities victimized by this tragedy We will demand that they pay every dime they	States that they hold BP responsible for the accident and oil spill and assures that the company will be hold accountable	
			owe for the damage they've done and the painful losses that they've caused	BP is responsible and should thus pay all the costs	Demand for accountability
			We will continue to take full advantage of the unique technology and expertise they have to help stop this leak	BP is the one with the sufficient technology and knowledge to conduct the operation and the Government thus has to rely on the company Even though they do not have control over the	Demand for accountability
			But make no mistake: BP is operating at our direction. Every key decision and action they take must be approved by us in advance	technological expertise, the American people needs to be assured that the Government is still the one in charge	Under Governmental control

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			At our insistence, BP is paying economic injury claims, and we'll make sure that when all is said and done, the victims of this disaster will get the relief that they are owed. For years, there has been a scandalously close relationship between oil companies and the agency that regulates them	BP will be paying out economic compensation to those affected by the spill on insistence from the President and his administration There has been a corrupt relationship between the oil companies and those who regulate the industry	Under Governmental control Lack of regulation - asymmetric power relations
				Due to the close tie with the regulate the industry Due to the close tie with the regulating agency, the oil companies have had too much power and freedom without much regulation, letting them operate as they pleased, leading up to this disastrous situation. BP is held responsible by law	Lack of regulation - asymmetric power relations Under Governmental control
			when it comes to stopping the leak down below, the federal government does not possess superior technology to BP.	BP is the one with the sufficient technology and knowledge to conduct the operation and the Government thus has to rely on the company	Demand for accountability
			[the government had an] understanding that if BP wasn't doing what our best options were, we were fully empowered to instruct them, to tell them to do something different	The Government has no issues with controlling BP's response	Under Governmental control
			BP's interests are aligned with the public interest to the extent that they want to get this well capped. It's bad for their business. It's bad for their bottom line. I think it is a legitimate concern to question	BP should be eager to get the situation under control, seeing that it has a profound impact on the company's image and financial situation	Profit focus
			whether BP's interests in being fully forthcoming about the extent of the damage is aligned with the public interest.	The motivation that BP has in order to get the situation resolved however, is questionable	Lack of integrity and trust
			My attitude is that we have to verify whatever it is they say about the damage The administration will continue to hold the	The Government does not trust the company completely so they are in need of controll- checking what BP is saying about the situation	Lack of integrity and trust
The White House Blog	"The response to the oil spill so far"	May 30+31, 2010	responsible parties accountable for repairing the damage, and repaying the Americans who've suffered a financial loss as a result of the BP oil spill	BP is responsible for the situation and should therefore pay the costs of it	Demand for accountability
Tweet - Barack Obama	# Twitter.com/barackobama	June 5, 2010	I have confidence in the resiliency of the Gulf region, but we will ensure BP fulfills their obligations for the damage that has been done	BP will not get away with it	Demand for accountability
Tweet - Barack Obama	# Twitter.com/barackobama	June 16, 2010	Pres. Obama will meet with BP tomorrow to tell them to set aside necessary funds to compensate businesses and people who have been harmed	The President will make BP set aside a fund aimed to help those affected by the spill	Under Governmental control
Tweet - Barack Obama	# Twitter.com/barackobama	June 16, 2010	A long-term Gulf Coast Restoration Plan will be paid for by BP but designed by states, local communities, businesses and other Gulf residents	It is not BP who's in charge of how the communities will be restored, but it is the one who has to pay for it	Under Governmental control
The White House Blog	"The president's meeting with BP executives: 'An important step towards making the people of the Gulf Coast whole again'"	June 16, 2010	The people of the Gulf have my commitment that BP will meet its obligations to them	The President wish to ensure the American people personally that he will make sure BP fulfill its obligations	Under Governmental control
			I [Obama] emphasized to the chairman [SVanberg] that when he's talking to shareholders, when he is in meetings in his boardroom, to keep in mind the individuals [that have been deeply affected by the spill].	The President explains to BP that the company will have to bear in mind who it has the biggest responsibility towards	Demand for accountability
			I indicated to the chaiman that, throughout this process, as we work to make sure that the Gulf is made whole once again, that the standard I'm going to applying is whether or not those individuals I met with, their family members, those communities that are vulnerable, whether they are uppermost in the minds of concerned. That's who we're doing this work for.	Making it right to the affected communities should be the company's top priority	Demand for accountability
DEMANDING STAKEHOLDERS	5- 				
EPA Tweet, Lisa P. Jackson	# Twitter.com/lisapjackson	May 1, 2010	Someone said BP must not be left off the hook. I agree.	Agrees to BP being the responsible part of this accident	Demand for accountability
Tweet, Lisa P. Jackson	# Twitter.com/lisapjackson	June 4, 2010	this area ahead of concerns abt shareholders	Believes that BP cares more about its shareholders than the affected people along the coastline	Demand for accountability
Tweet, EPAgov	# Twitter.com/epagov	June 12, 2010	Rear Adm. Watson gives BP 48 hrs for more aggressive oil containment plan.	Does not think BP crisis plan is good enough	Claim of insufficiency
Palm Beach Post - 'EPA chief: I wouldn't swim off Panhandle'		July 3, 2010	To have to walk this beach and look at what BP	Is not happy with the BP accident in the Gulf of Mexico	Unsatisfactory approach

			BP, in charge of the cleanup, needs to spend more resources attacking the disaster	Is not happy with the way BP has handled the oil spill clean up	Unsatisfactory approach
			Just saw clean up operations on Pensacola Beach. Our beaches are precious. We will	BP is responsible for this oil spill, and has to do	
Tweet, Lisa P. Jackson	# Twitter.com/lisapjackson	July 4, 2010	continue to hold BP responsible	whatever possible to clean up	Unsatisfactory approach
DEPENDENT STAKEHOLDERS -					
Independent environmental groups and individuals					
50 - 1/	Is BP's liability for damages limited to \$75 million, as	Mar. 4 2010	BP earned profits of \$14 billion in 2009, and over \$6 billion in the first quarter of 2010. BP can afford, and should be required, to pay all	The company apparently has more than enough money to pay for the costs associated with the spill and its related damages, and should thus be	Denored for a second shall like
BP oil news	reported by New York Times?'	May 4, 2010	damages caused by its massive oil spill. You can be sure that BP will be held	able to do so	Demand for accountability
			accountable to the full extent of the law	BP's response efforts is law-enforced	Demand for accountability
BP oil news	"The public turns to social media for BP oil spill answers - but BP doesn't"	May 11, 2010	We're no engineers. We have no way of evaluating the merits of this idea, but wouldn't it be nice if BP was doing everything it could to stop the loss of livelihood, the loss of marine life, and the economic and environmental devastation caused by their spill?	They may not have the right knowledge, but they understand that BP should be able to make things right	Demand for accountability
				-	,
BP oil news	"BP oil spill claims update"	May 28, 2010	Although BP is accepting and paying some oil spill claims, it is paying too little, too late	Not satisfied with the amount of money the affected people get from BP	Unsatisfactory approach
			It's also failing to give people and businesses information about how much they will be paid, and when they will be paid, in the future	Believes the information from BP is bad	Unsatisfactory approach
BP oil news	"Oil spill pictures - BP coverup - First amendment"	June 9, 2010	We are now 51 days into the oil spill disaster, and BP still has such a stranglehold on access to the Gulf that only a few pictures have trickled out of the area	Do not like that BP is holding back pictures from the Gulf area	Enforced control of information flow
			And the lack of photographs is the direct result of BP's shutdown of the media.	Feel there is general lack of information coming from BP	Enforced control of information flow
Care2.com - Environment blog	"Is BP dodging responsibility when it counts?"	May 12, 2010	I don't believe it is enough to label this catastrophic failure as an unpredictable and unforeseeable occurrence. I don't believe it is adequate to simply chalk what happened up to a view that accidents just happen our examination of what happened here will have the goal of putting in place improved systems to ensure that this catastrophe does not recur	Believes there is more behind the accident, than it just being a unforeseenable occurence (safety) The investigation should introduce new regulations so that this kind of crisis never happen again The way BP handled the crisis was just by blaming	Unsatisfactory approach Demand for increased regulation
			BP's responsean exercise in finger pointing	everybody else	Disclaim responsibility
			The conclusion that I draw is that nobody assumes the responsibility	None of the companies wants to take blame	Disclaim responsibility
			It's BP's business interests that led to the problem, and BP that was entrusted to exploit the public common, undoubtedly based on guarantees of environmental stewardship and safety.	It is the culture of the company that caused the accident	Lack of integrity and trust
Care2.com - Environment blog		July 2, 2010	BP wasn't prepared to handle a blow-out to begin with	BP's crisis management plan was not good enough for this type of crisis	Insufficiency
Nola.com	"Bp must do more in Gulf of Mexico oil spill fight, Homeland Security secratary Janet Napolitano says"	April 30, 2010 (2)	We cannot rest and will not rest until BP permanently secures the well head and cleans up every drop of oil As the president and the law have made clear,	There will be hard pressure on BP until the well is closed and the clean up is finished	Demand for accountability
			BP as the responsible party must fund cleanup costs	BP is the responsible part in this crisis, and will have to pay for the clean up	Demand for accountability
Nola.com	"Gulf of Mexico oil spill sullies BP's carefully cultivated 'green' image"	April 30, 2010	They have to repair the problem. I'm not sure if anything else is going to matter until they do	BP's reputation will not be better until the well is sealed and the clean up is done	Demand for accountability and reliability
			And they should apologize	BP should not just focus on stopping the oil spill, but also apologize to the affected people (families of victims and people along the Gulf coast)	Demand for accountability and reliability
	"Gov. Jindal: slow spill		We are confident that at the end of the day, BP will pay. We are not worried about the cash		
	response 'threatens our way of		flow. We expect BP to live up to their legal	Believes and expects that BP will do everything to	Demand for accountability
Nola.com	life'''	May 1, 2010 (2)	responsibilities It is clear that after several unsuccessful	clean up its mess	and reliability
NY times (Department of Homeland Security)	"BP is criticized over oil spill, but U.S. missed chance to act"	April 30. 2010	attempts to secure the source of the leak, it is time for BP to supplement their current mobilization as the slick of oil moves toward shore	Since it is obvious that the response is not working, BP should try out new methods secure the leak	Insufficiency
CNN Money	"Lousiana to BP: Show me the money"	June 7, 2010	Hardworking people should not be forced into poverty by the oil spill	BP should give people along the Gulf coast compensation for lost income because of the oil spill	Demand for Accountability
/			We need to understand why so many claims have not been paid, some for many weeks	BP need to tell us why the claims have not been paid yet	Demand for accountability

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			More than 40 days into this disaster, people's livelihoods are on indefinite hold, it is becoming harder to support their families and some even face eviction from their homes	Innocent people are suffering from the oil spill	Demand for accountability
			Immediate assistance from BP is critical Many businesses already have begun to close or are teetering on the edge of having to close because of the oil spill	BP need to respond immediately Innocent people are forced to shut down their stores because of the oil spill	Demand for accountability Demand for accountability
			BP committed to paying them enough to stay open and keep their employees on the payroll, but that is not happening. BP needs to live up to its commitments that it will pay for the losses that result from the spill I think we need more crews out here cleaning	BP has made big promises, but has so far not lived up to these promises	Claim of insufficiency and unsatisfactory approach
CNN	"Oil outrage on Pensacola Beach"	July 3 2010	up. If they don't pick this stuff up when it's out here and the tide comes in and ends up burying it. We've lost this summer I just hope we don't	Need more people to help them clean up the beaches because of the weather conditions and the possibility of permanent oil in the sand Angry at BP for ruining the beaches of Pensacola	claim of insufficiency
			lose next summer, so BP needs to get on it and deal with this oil now so maybe we can save the summer of 2011.	and the summer of 2010, and is counting on BP to clean up everything so that next summer will be great	Demand for accountability
			Today I lose my property and liability insurance on my other business. Today I lose my health insurance for my employees. Monday I let off 12 of my employees. I cannot pay my workers compensation insurance today," the 41-year-old Santa Rosa Island resident	Innocent people are loosing everything because of the oil spill	Demand for accountability
Palm Beach Post	"Claims delays, lack of data disclosure, frustrate BP's oil spill victims	July 3, 2010 (2)	The process that we've been working our way through over the last 60 days is not perfect. I would not even stand here and try to pretend that it's perfect, Willis (BP Vice president) said.	BP admit that they are having trouble with its response to the oil spill	Claim of insufficiency
			This is the saddest thing I've ever seen, said Cox, who had rented only a dozen umbrellas to beachgoers all morning. "Last year at this time, we had more than 1,000 people here."	BP oil spill is ruining the beaches along the Gulf coast and also the income of the employees at the beaches	Demand for accountability
LA Times	"Oil spill take boom out of holiday weekend"	July 4, 2010	The entire coastline of the island has oil on it. If you walk on the beach, you will get oil on you. If you swim in the ocean, you will get oil on you.	The oil spill has polluted the beaches as well as the ocean	Demand for accountability
		, ,,	This (Westwego) is a ghost town, stall operator Ivis Fernandez, 43, said in frustration. "Usually we're so packed now that the police come to direct traffic. We're really struggling."	Frustrated over the consequences from the oil spill	
The New York Times		July 4, 2010	"We (BP) would expect the various parties involved in this (oil spill) to live up to their responsibilities."	BP believes that there are other responsible parties in this oil spill	Disclaim of responsibility
DANGEROUS STAKEHOLDER BPGlobalPR (Beyond Polluti					
Tweet	# Twitter.com/bpglobalpr	May 27, 2010	Lots of people blaming this on Bush or Obama. Pph, we wish. The truth is the Presidents don't have any control over what we do	Their inclining that BP is acting according to its own will, and that the President does not control the company	Lack of regulation - asymmetric power- relation
			As part of our continued re-branding effort, we are now referring to the spill as "Shell Oil's Gulf	Being called the "BP oil spill" has a harmening effect on the brand, and BPGlobalPR wish to pay attention the efforts of BP to save its image and rather accuse other companies in order to clean its	
Tweet Tweet	# Twitter.com/bpglobalpr # Twitter.com/bpglobalpr	June 1, 2010 June 5, 2010	Coast Disaster" Safety is our primary concern. Well, profits then safety. Oh, no - profits, image, then safety, but still - it's right up there	name BP is accused of not having the right focus.	Disclaim of responsibility Profit focus
Tweet	# Twitter.com/bpglobalpr	June 5, 2010	Words can not express how sorry we are. So we are going to stop apologizing and just give our investors 10 billion dollars	BP is accused of focusing more on its shareholders than those affected by the oil spill	Profit focus
Tweet	# Twitter.com/bpglobalpr	June 7, 2010	We're paying Google a lot of money to make sure you only have access to the best possible info on the oil spill: our info	In order to keep most of the negative publicity away from top page of the search engines (like Google), BP bought up key words connected to the oil spill. Presenting a biased view to the public	Enforced control of information flow
Tweet	# Twitter.com/bpglobalpr	June 14, 2010	Obama wants us to start a liability account to pay spill victims. We'd rather not, but thanks for asking!	They are claiming BP did not establish the liability account willingly, but merly due to the President	Lack of own Initiative
Tweet	# Twitter.com/bpglobalpr	June 15 2010	We're not blocking all reporters from the gulf - just the ones who aren't going to say nice things about us	The company is accused of trying to keep the media away from the Gulf Coast and hindering pictures of the oil spill from coming out	Enforced control of information flow
Tweet	# Twitter.com/bpglobalpr	June 16, 2010	Didn't mean to say "We care about the small people". Meant to say "We care about the nobodies". Our bad We are doing everything we can to stop the	Refering to a comment made by BP Chairman Carl- Henric Svanberg on the same day Accusing the company of trying to filter the	Arrogance Enforced control of
Tweet	# Twitter.com/bpglobalpr	June 26, 2010	information leaks in the gulf	information coming out from the Gulf	information flow
Greenpeace					

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profit focus Disclaim of responsibility Lack of integrity and trust
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Arrogance
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Disclaim of responsibility
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Profit focus

#### APPENDIX 2 /6

Source	link	Date	Chevron and the crisis response related to		
iource Chevron	Link	Date	Quotes	Quotes translated	Themes
inevron			The [We agree] campaign highlights the common ground Chevron shares with people around the world on key energy issues. It also describes the actions the company	Through the new ad campaign Chevron wish to	
acebook - wallpost	# Facebook.com/Chevron	Oct 18, 2010	takes in producing energy responsibly and in supporting the communities where it operates We hear what people say about oil companies - that they	show the communities of the world that they care	Determined and reliable
			should develop renewables, support communities, create jobs and protect the environment - and the fact is, we	The company agrees with the concerns people	
			agree. This campaign demonstrates our values as a company	may have related to energy issues	Empathic
			and the greater value we provide in meeting the world's demand for energy.	The campaign represents the corporate values of the company	Reliable
			There is a lot of common ground on energy issues if we take the time to find it.	The company believes that together one should come up with better solutions (on energy issues)	Determined and reliable
			We agree - Oil companies should put their profits to good use	Chevron "agrees" that oil companies should use their profits to benefit others	Empathic and generous
			We agree - Big oil should support small business	Chevron "agrees" that the large and powerful companies should lend the smaller businesses a helping hand	Empathic and generous
			We agree - Oil companies need to get real	Chevron "agrees" oil companies should focus on the real issues of the world today	Reliable
			We agree - Oil companies should support the communities they're part of	Chevron "agrees" that oil companies should give back to and benefit the communities they are operating in	Empathic and generous
			Chevron's new advertising campaign is meant to identify and highlight common ground on key energy issues so we can move forward safely, intelligently and	Through the "We agree"-campaign, Chevron wishes to put emphasis on universal energy issues, so oil companies and the communities	
acebook - Wallpost	# Facebook.com/Chevron	Oct 18, 2010	Collaboratively Unfortunately, there are some who are not interested in engaging in a constructive dialogue, and instead have resorted to rhetoric and stunts.	can work together towards a "better future" The company is not pleased with the hijacking of its campaign, and claims "they" are not interested in cooperation	Determined and reliable Defensive - Disclaim of responsibility
			Today, activist groups have attempted to interrupt the conversation by issuing a fake press release and establishing a counterfeit website, which are not affiliated with Chevron	Chevron does not address the issues of the ads, rather the fact that the company got hijacked by activist that wished to harm the company's dialogue with the people	Defensive - Disclaim of responsibility
weet - Chevron	# Twitter.com/Chevron	Oct 27, 2010	We are proud to continue to deliver great shareholder return! More (Crude outtakes) tapes the plaintiffs don't want	The company is increasing its profits and wants to share its wealth with its shareholders Accusing the plaintiffs of playing dirty and	Determined and reliable
		Nov 9, 2010	you to see	keeping secrets	Offensive
		Nov 23, 2010	We use Twitter to share company news, and, to listen to the online conversation Chevron's support for immunization against Polio	Chevron claims it is where its stakeholders are and care about their concerns	Determined and reliable
		Dec 14, 2010	benefits 1.2 million people in the Angolan province of Cabinda	CSR promotion - Chevron engages in global health issues	Promotion - Empathic
		Dec 15, 2010	2nd Circuit Court of Appeals affirms previous SDNY decisions; Grants discovery and depositions from Steven Donziger	Accusing the plaintiffs' lawyer of fraudulent behavior	Offensive
		Jan 8, 2011	Law Review: Legal maneuvers in Ecuador costly to plaintiffs	Accusing the plaintiffs of bribing	Offensive
weet - AmazonPost (NB, run	# T		Misleading press releases aim to obscure overwhelming	Accusing negative claims published of being	Defensive - Disclaim of
r Chevron)	# Twitter.com/Amazonpost	Dec 7, 2010	evidence of fraud Lago Agrio plaintiffs' consultants concede that \$113	misinformation and fake Claiming the plaintiffs of not having a reliable	responsibility Defensive - Disclaim of
reaback - wallpost	# Eacobook com /Chausa	Dec 23, 2010	billion damages claim lacks scientific basis	case Chevron does not accept the court ruling in Equador	responsibility Defensive - Disclaim of responsibility
acebook - wallpost	# Facebook.com/Chevron	Feb 12, 2011	Illegitmate judgment against Chevron in Ecuador lawsuit The Ecuadorian court's judgment is illegimate and	Ecuador Claiming the court's decision is lacking reliable	Defensive - Disclaim of
			unenforceable. It is the product of fraud and is contrary to the legitimate	evidence and proof Claiming the ruling is an injustice to the	responsibility Defensive - Disclaim of
			scientific evidence Chevron will appeal decision in Ecuador and intends to see that justice prevails	company without any forceable proof The company is not giving up the fight and refuses to accept the verdict	responsibility Defensive - Disclaim of responsibility
			Chevron does not believe today's judgment is enforceable in any court that observes the rule of law	Accusing the judicial system in Ecuador of being flawed	Offensive
			Chevron intends to see that the perpetrators of this fraud are held accountable for their misconduct	Chevron will fight back those accountable for the lawsuit and get its revenge	Offensive
DEPENDENT STAKEHOLDERS - Amazon Defense Coalition					
l Facebook.com/Amazon- Jefense-Coalition - Discussion	"Chevron's constant delaying tactics"	n/a 2010	For years, Chevron has repeatedly tried to distort Ecuadorian law, present misleading evidence, create fake laboratory test results, politicize the trial lobbying Ecuadorian and U.S. government officials to extinguish the claims of the plaintiffs, and exploy extrajudicial pressure to intimidate the judge and court personnel - all with the goal of preventing a final judgment from being made. These tactics help explain why the trial process has lasted 16 years and why Chevron's lawyers have promised the	Accusing Chevron of mis-using its power by playing a dirty game in the trial in order to keep them from reaching a verdict	Lack of integrity - trust
			plaintiffs a "lifetime of litigation" if they persist in their claims	Claiming Chevron's actions and handling of the trial is the reason for its "neverending story"	Disclaim of responsibility

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			It [Chevron] has been free to inspect any site it wants, turn over any scientific evidence it can generate, present any witness from whom it wants testimony, and present any documentary evidence it can find	Chevron has had all the freedom and tools available in order to make the trial as "fair" as possible on its behalf	Lack of integrity - trust
# Facebook.com/Amazon-			Chevron's deliberate delay of the outcome of the trial in Ecuador by attempting to destroy the reputation of the presiding judge merely clouds the issue that it is guilty of	Accusing Chevron of purposefully emphasizing the handling of the trial in order to shift the focus away from the real issue = the	
Defense-Coalition - Discussion	"Chevron's sting operation"	n/a 2010	the charges brought by the plaintiffs The oil giant has spent 16 years trying to convince courts in both the US and Ecuador that it is not responsible for cleaning up a huge area of contaminated rainforest simply because it signed off on a corrupt remediation deal.	contamination of the rainforest Claiming Chevron does not have a particularly strong case	Disclaim of responsibility Disclaim of responsibility
			The people most affected by Chevron's (Texaco's) deliberate profit-driven pollution of their lands and waterways have managed to bring one of the richest corporations on the planet to such a panic that it has sunk to a new low in trying to recover its irrecoverable reputation	Chevron has gone to the extremes in order to save its reputation and profits	Disclaim of responsibility
			It's recent foray into the sordid world of Nixon-style dirty tricks has raised serious questions about its own level of in-house corruption, both moral and material	Questioning the ethics of the company's actions related to the trial	Deceitful
Customers					Detention
Facebook (comments to the "we agree" campaign)	# Facebook.com/Chevron	Oct 19, 2010	Stop wasting your greenwash money on ads and clean up your mess and stop human rights abuses arond the world. Your ads don't fool us!!!	Thinks that Chevron should use more of its money on cleaning up its mess rather than spending it on pricey PR campaigns	Profit focus - Demand for accountability
			We agree that Chevron is irresponsible. Put your money where your mouth is	Claiming Chevron does not take any responsibility for the pollution in Ecuador; Pay the costs of its actions	Disclaim of responsibility
			You can't fool people, and need to do your share, since you get your share in profits	Stand up to and take responsibility for your actions. You got the money so pay up He agrees with the spoof "we agree"-campaign	Demand for accountability
			We agree Chevron. You should clean up your mess. We're on the team at changechevron.org. Join us!	Chevron should do the right thing and clean up the contamination it left behind in the Ecuadorian rainforest	Demand for accountability
Facebook - wall post by David			After thirty years of polluting, arbitrating, and obscuring the truth over the mess Chevron left in the Amazon, the Ecuadorian courts have issued one of their most important verdicts ever: Chevron must pay to clean up		
Gilbert (at the Chevron fan page)	# Facebook.com/Chevron	Feb 15, 2011	millions of gallons of crude oil and toxic mud they spilled in Ecuador Chevron says it "has no assets in Ecuador and believes it	Chevron gets the punishment it deserves	Demand for justice
			is unlikely ever to pay". Shame on you. Who's paying back to the community now?	Chevron needs to take responsibility for its operations and its mess	Demand for accountability
DEMANDING STAKEHOLDERS - Independent organizations, environmentalists and individuals					
Openmarket.org (blog)	"David, Goliath and Chevron"	May 5, 2009	"The international community should impose upon Chevron-Texaco the moral duty to pay this money,"	People should join together and force Chevron to pay its debt to the people of Ecuador	Demand for accountability and justice
			"I [Chevron's Global Issues and Policy manager, Siivia Garrigo] have makeup on my face and there's naturally occurring oil in my face. That doesn't mean I'm going to get sick from it,"	Silvia Garrigo is trying to undermine the danger of the oil contamination in the Ecuadorian rainforest	Claim of lack of empathy - Trivialize issue
	"Chevron vs Ecuador: The battle		that "a cursory review of the heavily-edited tapes that Chevron posted to its website shows that, in some instances, Chevron's own translation of the Spanish into	Chevron is not telling the whole truth and its	
Bloomberg - Business week	heats up"	Sept 2, 2009	English is poor and, in other instances, misleading." "any and all evidence that Chevron contends supports its contention of impropriety" but noted that Chevron's decision to air the evidence on the Internet rather than	trustworthiness is questionable	Lack of integrity and trust
			send it to the Ecuadoran government raises "some question as to Chevron's intentions."	Questioning the real motivation and truthfulness of the company related to the case	Lack of integrity and trust
			Chevron, through its lawyers, are benefiting from a crime, which is recording conversations without authorization, with the intent to hurt Ecuador's prestige in the event of a judgment adverse to them, and for this they should face Ecuadoran justice, Mera said.	Chevron has done a crime in Ecuador, and should therefore face the verdict of an Ecuadorian court	Demand for accountability and justice
CNN Money	"Evidence of fraud mounts in Ecuadorian suit against Chevron"	Sept 13, 2010	Steven Donziger: " at the end of the day, this is all for the court just a bunch of smoke and mirrors and bullshit. It really is. We have enough, to get money, to win." this [Chevron bribing the judge] "would never happen in any judicial system that had integrity."	The plaintiffs laywer, Donziger, is pretty certain that the people of Ecuador will win this case You would not be able to bribe the judge in for instance the U.S.	Demand for accountability Deceitful - Lack of integrity
The Huffington Post - Lauren			The whole BP spill put all the oil companies in a terrible light, and Chevron wants to explain that they're more environmentally conscious than people realize, and not the bad guys people view them as. It sounded like more	She is critical to how heartfelt and honest this	
Selman	"Chevron's casting call"	Oct 27, 2010	disingenous greenwash from Chevron	campaign really is	Lack of integrity and trust

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			I've dedicated a significant portion of my academic career studying the impacts of Chevron's operations on the Amazon rainforest, and I quickly realized that maintaining credibility as an environmentalist while helping Chevron polish its green image was like trying to	Contributing in Chevron's ad campaign would	
			mix oil and water Could you imagine the BP spill continuing unabated for 30 more years and then trying to deny that it affected people living in the Gulf?	violate her beliefs as an environmentalist Had the spill happened on U.S. soil, Chevron would never have gotten away with it	Lack of integrity and trust Demand for accountability
			Amazon Watch: "Chevron has used legal maneuvers and smear tactics to delay and disrupt the Ecuadorian trial, drain the resources of the plaintiffs, and deny justice to thousands of people in the Amazon region of Ecuador who continue to suffer from the oil giant's toxic legacy"	Chevron has taken use of dirty tricks to make sure that the trial never reaches a verdict	Claim of lack of empathy - Trivialize issue
			If you could ask Chevron one question, what would it be?" To which I [the reporter] responded: "Why are you trying to hide the responsibility you have in Ecuador's Amazon rainforest?"	She is questioning why Chevron avoids taking responsibility	Demand for accountability and justice
			Abrilliant fake ad campaign by corporate crime-fighting media tricksters the Yes Men,(), mocked up the very ads that might have resulted if Chevron were to have interviewed the Ecuadorians for the "We agree" campaign	Cheering the spoof "We agree"- campaign and those accountable for it, claiming they are more truthful than the real campaign	Lack of integrity and trust
			The fake ads made by these groups - highlight the important truths that Chevron's PR campaign seems designed to conceal.	Cheering the spoof "We agree"- campaign and those accountable for it, claiming they are more truthful than the real campaign	Lack of integrity and trust
Al Gore Blog	"Chevron must think we're stupid"	Nov 4, 2010	Rainforest Action Network and the Yes Men have put together a great campaign focusing on Chevron's efforts to green wash their poor environmental record	Cheering the spoof "We agree"- campaign and those accountable for it, and criticizing Chevron for its lack of environmental conscience	Lack of integrity and trust
Greenpeace Blog	"Chevron guilty of polluting the Amazon"	Feb 22, 2011	Chevron has a long history of avoiding their dirty mistakes through greenwashing ads and paying reporters to create their own news videos about the contamination of the Amazon		Lack of integrity and trust
		10022,2011	While Chevron tries to spin the truth in the U.S., its tricks in Ecuador may be far dirtier and deadlier		Deceitful
			Recent evidence points to the possibility that Chevron tampered with contaminated samples that has been evidence in the case. Others testifying against Chevron have received death threats.	Accusing Chevron of tampering with evidence and threatening witnesses in order to hide the truth.	Deceitful
Global Exchange Blog	"New report reveals dirty truth behind Chevron"	May 24, 2011	CEO John Watson opened Chevron's 2010 Annual Report by telling the corporation's stockholders that '2010 was an outstanding year for Chevron'. The communities who bear the costs of Chevron's operations do not agree	It may have been a great year for Chevron and its stakeholders profit-wise, but the people of the Ecuadorian Amazon is still living with oil contaminated water after Chevron's operations in the area	Demand for accountability and justice
			These communities have seen Chevron continue its long history of human rights violations, ignore longstanding decisions of indigenous communities, destroy livelihoods, and convert dollars into unjust political influence in the United States and around the world	Accusing Chevron of fraudulent and unethical behavior	Lack of integrity and trust
			We agree - Oil companies should not abuse human rights	Playing on the "We agree" campaign of Chevron, thus addressing the company's real issue	Demand for accountability and justice
DANGEROUS STAKEHOLDERS - Environmentalist action groups					
Amazon Watch - Tweet	# Twitter.com/AmazonWatch	Oct 11, 2010	Chevron's toxic waste pits in Ecuador: Designed to pollute	Claiming the contamination Chevron is held responsible for, was done intentionally	Lack of integrity and trust
		Oct 12, 2010	Testimony of Chevron's lead Ecuador expert in U.S. Court proceedings rejected by jury; Erodes his credibility	Questioning the credibility of an important Chevron-expert Large number of innocent people suffering	Lack of integrity and trust
		Oct 14, 2010	Chevron's shocking cancer problem in Ecuador: 10,000 could die, says expert	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR	Demand for accountability
		Oct 14, 2010 Oct 18, 2010	could die, says expert Chevron's pricey PR push still cheaper than pollution cleanup'	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR promotions than taking on the costs in the Amazon	Demand for accountability and justice
			could die, says expert Chevron's pricey PR push still cheaper than pollution	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR promotions than taking on the costs in the Amazon	Demand for accountability and
		Oct 18, 2010	could die, says expert Chevron's pricey PR push still cheaper than pollution cleanup' Chevron's misleading ad campaign ignores toxic legacy in Ecuador rainforest	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR promotions than taking on the costs in the Amazon The company's new advertising campaign does not address the litigations it is accused of Accusing Chevron's new campaign of being	Demand for accountability and justice Demand for accountability and
		Oct 18, 2010 Oct 18, 2010 Oct 19, 2010 Oct 20, 2010 Oct 29, 2010	could die, says expert Chevron's pricey PR push still cheaper than pollution cleanup' Chevron's misleading ad campaign ignores toxic legacy in Ecuador rainforest Greenwash or Hogwash?' "We agree" that Chevron's new ads are both YahooNews: 'Chevron's new PR push quickly turns into a nightmare as pranksters hijack the message' Chevron cares about what? Chevron thinks we're stupid, but there is something very	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR promotions than taking on the costs in the Amazon The company's new advertising campaign does not address the litigations it is accused of Accusing Chevron's new campaign of being more words than action and that it's rather trying to cover up the truth The campaign did not get the positive effect the company had hoped Questioning the trustworthiness of the company Chevron being beat by its own claims and	Demand for accountability and justice Demand for accountability and justice Lack of integrity and trust Lack of integrity and trust Lack of integrity and trust
		Oct 18, 2010 Oct 18, 2010 Oct 19, 2010 Oct 20, 2010	could die, says expert Chevron's pricey PR push still cheaper than pollution cleanup' Chevron's misleading ad campaign ignores toxic legacy in Ecuador rainforest Greenwash or Hogwash?' "We agree" that Chevron's <u>new ads are both</u> YahooNews: 'Chevron's new PR push quickly turns into a nightmare as pranksters hijack the message' Chevron cares about what? Chevron thinks we're stupid, but there is something very ironic about that	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR promotions than taking on the costs in the Amazon The company's new advertising campaign does not address the litigations it is accused of Accusing Chevron's new campaign of being more words than action and that it's rather trying to cover up the truth The campaign did not get the positive effect the company had hoped Questioning the trustworthiness of the company Chevron being beat by its own claims and actions	Demand for accountability and justice Demand for accountability and justice Lack of integrity and trust Lack of integrity and trust
		Oct 18, 2010 Oct 18, 2010 Oct 19, 2010 Oct 20, 2010 Oct 29, 2010	could die, says expert Chevron's pricey PR push still cheaper than pollution cleanup' Chevron's misleading ad campaign ignores toxic legacy in Ecuador rainforest Greenwash or Hogwash?' "We agree" that Chevron's new ads are both YahooNews: 'Chevron's new PR push quickly turns into a nightmare as pranksters hijack the message' Chevron cares about what? Chevron thinks we're stupid, but there is something very	from the contamination left behind in the rainforest Chevron would rather invest in flashy PR promotions than taking on the costs in the Amazon The company's new advertising campaign does not address the litigations it is accused of Accusing Chevron's new campaign of being more words than action and that it's rather trying to cover up the truth The campaign did not get the positive effect the company had hoped Questioning the trustworthiness of the company Chevron being beat by its own claims and	Demand for accountability and justice Demand for accountability and justice Lack of integrity and trust Lack of integrity and trust Lack of integrity and trust

#### APPENDIX 2 /6

	1			Claiming Chevron believes the public is less	
			Chevron's new ad campaign thinks you're really stupid.	informed and that it can cover up the truth	
Funny or Die - Tweet	# Twitter.com/funnyordie	Oct 27, 2010	RT this to let them know you're not!	from the world	Lack of integrity and trust
We can change Chevron -			How social media is changing the world; Bad for Chevron,		
Tweet	# Twitter.com/ChangeChevron	Nov 22, 2010	good for ChangeChevron!	Social media increases corporate transparency	Lack of integrity and trust
			Ad Age's Biggest Branding & Marketing Fiascoes of 2010?	Chevron took a large hit when it's campaign	
		Dec 13, 2010	Sorry Chevron. You deserve it.	was hijacked	Lack of integrity and trust
				While the pranksters are winning praise and	
		Jan 1, 2011	Look who made Best Ad-Jackers of 2010!	awards for their spoof campaign	
			Another award for our spoof ad campaign! Thanks again	While the pranksters are winning praise and	
			to everyone who helped call out Chevron in 2010.	awards for their spoof campaign	
DEFINITIVE STAKEHOLDERS :					
inancial institutions/					
nvestors	+	_	As the Chevron and Occidental cases wend their way		
			through the courts, they underscore the institutional		
			weakness that still dogs many Latin American countries		
The Financial Times -	"Cases against oil companies in		as they seek to capitalise on recent economic and		Demand for justice to be
eyondbrics Blog	Amazon"	Dec 11, 2010	democratic gains.	Questioning the judicial system of Ecuador	prevailed
					p
ttp://blogs.ft.com/beyond-				Claiming the judicial system of Ecuador lacks	
orics/2010/12/11/cases-			Credible institutions take time to build, but as a resource-		
gainst-oil-companies-in-			hungry world turns its eyes to the Amazon, change needs	multinational companies like Chevron,	Demand for justice to be
mazon/			to come sooner rather than later.	improvement changes need to be made	prevailed
			Even if Chevron never has to pay, the ruling could worsen		
			what has already been a public relations nightmare for	Claiming that even though the ruling will not	
			the oil giant when all oil companies are under added	affect Chevron's situation per se, it will damage	
	"Chevron hit with record		scrutiny in the wake of last year's oil spill in the Gulf of	it's corporate image and the image of the	Concern for damaged
he Wall Street Journal	judgement"	Feb 15, 2011	Mexico.	industry	reputation
			to a start has a second start of the second st		
ttp://online.wsj.com/article/S			Investors, however, shrugged off the ruling Monday.		
100014240527487035848045			Chevron's shares rose 1.3% to \$96.95 in 4 p.m.	Investors on the New York Stock Exchange did	
6144464044068664.html			composite trading on the New York Stock Exchange	not care about the ruling against Chevron	Investor confidence
			Woody Allen made "Bananas" in 1971 about a South American banana republic, but as a slapstick		
			comedy it's hard to beat this week's \$8.6 billion		
			judgment against Chevron by a provincial court in		
			Ecuador. The only thing more preposterous than the case	Attacking the lawsuit which the WSI believes	
he Wall Street Journal	"Shakedown in Ecuador"	Feb 16, 2011	is that the plaintiffs want more.	to be a big joke	Investor confidence
			The fact that Texaco cleaned up its sites and was		
			released from liability by the government of Ecuador and		
			state oil company PetroEcuador didn't stop the plaintiffs,		
			led by attorney Steven Donziger, from concocting a case	Chevron has done its part, and the rest of the	
			through	mess belongs to PetroEcuador	Investor confidence
			Exhibit B is a vast archive of shady remarks in clips and		
			outtakes from "Crude," a documentary on the case that		
			captures potential misconduct by both the plaintiffs and	Attacking the plaintiffs based on outtakes from	
		1	the government of Ecuador	"Crude"	Claim of illegitimate lawsuit
			While many corporate defendants settle to avoid		
	<b></b>		headline risk, Chevron has fought back	Chevron is not afraid of taking on a fight	Investor confidence
			According to Chevron's complaint in federal court in New		
			York , the plaintiffs falsified evidence in an attempt to		
	l		extort a settlement	Attacking the plaintiffs and their "evidence"	Claim of illegitimate lawsuit
			There's more at stake here than one company's bottom		
			line. The Ecuador suit is a form of global forum shopping,		
			with U.S. trial lawyers and NGOs trying to hold American	Claiming that if Chevron loses this case in	
	1		companies hostage in the world's least accountable and	Ecuador, then the door opens for other	
	1		recompanies nostage in the world's least accountable and		
			transparent legal systems	"hanana republics" to sue American MNCc	( laim of illegitimate lawcuit
			transparent legal systems	"banana republics" to sue American MNCs.	Claim of illegitimate lawsuit
					Claim of illegitimate lawsuit
			If the plaintiffs prevail, the result could be a global	Claiming that if Chevron loses this case in	Claim of illegitimate lawsuit
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign	Claiming that if Chevron loses this case in Ecuador, then the door opens for other	
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign jurisdictions	Claiming that if Chevron loses this case in	
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign jurisdictions the stock market gave the judgment a collective yawn	Claiming that if Chevron loses this case in Ecuador, then the door opens for other	
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign jurisdictions the stock market gave the judgment a collective yawn on Monday, suggesting that few investors expect the	Claiming that if Chevron loses this case in Ecuador, then the door opens for other "banana republics" to sue American MNCs.	
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign jurisdictions the stock market gave the judgment a collective yawn on Monday, suggesting that few investors expect the plaintiffs will ever pocket the far-fetched billions	Claiming that if Chevron loses this case in Ecuador, then the door opens for other "banana republics" to sue American MNCs. Investors on the New York Stock Exchange did	Claim of illegitimate lawsuit
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign jurisdictions the stock market gave the judgment a collective yawn on Monday, suggesting that few investors expect the	Claiming that if Chevron loses this case in Ecuador, then the door opens for other "banana republics" to sue American MNCs.	Claim of illegitimate lawsuit Claim of illegitimate lawsuit Investor confidence
			If the plaintiffs prevail, the result could be a global freefor-all against U.S. multinationals in foreign jurisdictions the stock market gave the judgment a collective yawn on Monday, suggesting that few investors expect the plaintiffs will ever pocket the far-fetched billions bestowed by the Ecuador court	Claiming that if Chevron loses this case in Ecuador, then the door opens for other "banana republics" to sue American MNCs. Investors on the New York Stock Exchange did not care about the ruling against Chevron	Claim of illegitimate lawsuit

#### APPENDIX 3 /6

			PG&F and the cricic response re	elated to the San Bruno gas explosion	
Source	link	Date	Quotes	Quotes translated	Themes
PG&E		Dute	Quotes	Quotes translated	Themes
			We have crews on the scene & are working		
	#		w/emergency officials who are looking into the cause.	PG&E is trying to find out what caused the	
Freehaals Mate	Facebook.com/pacificgasa ndelectric	Cant 10, 2010	Priority right now is to make the area safe. It is unknown vet what the actual cause is.	accident, but priority number 1 is to make people	Determined and reliable
Facebook - Note	ndelectric	Sept 10, 2010	Our thoughts go out to everyone affected by this	safe	Determined and reliable
			terrible situation	PG&E apologizes for the crisis	Regretful
			Though a cause has yet to be determined, it appears a	PG&E seem to be the responsible part for this	
			PG&E gas transmission line was involved.	accident	Accountability
			If it is determined that the initial cause involved one of		
			our facilities, we will take full responsibility and do what is necessary	PG&E is not taking blame yet, but will do what it can if it the fire is in their responsibility	Accountability
			We've heard the reports as well and we are looking	can it it the fire is in their responsibility	Accountability
			into it. Our thoughts are with anyone that has been	PG&E are looking into the San Bruno fire, and	
Tweet - PG&E	# Twitter.com/PGE4ME	Sept10, 2010	impacted by this tragedy.	apologizes to the affected people	Empathical
			We have crews on the scene & are working		
			w/emergency officials who are looking into the actual	PG&E is investigating the area to find out what	
			cause, which is still unknown	caused the fire	Determined and reliable
			The priority right now is to make the area safe, and we are working with the Red Cross to provide emergency	PG&E is concerned about the area of the fire, and	
			shelter for those in need.	the people affected by it	Empathical + Cooperative
			Again, our thoughts go out to everyone affected by this		, cancer cooperative
			terrible situation	affected by the fire	Empathical
				PG&E does not admit the fire is their fault, but	
			for the cause of the incident, we will take	will take responsibility if investigation show that	
			accountability	they are	Accountable
			We have secured our gas transmission line and have	DC0 5 is sententian the set line to make it of a	
			crews on site to control the distribution line to make it safe for everyone	PG&E is controlling the gas line to make it safe for people	Determined and reliable
			Regarding gas leak claim - we will be looking into these		betermined and reliable
			reports and sharing the facts as part of the	PG&E will investigate the reports on gas leak	
			investigation	claims	Determined and reliable
			NTSB will lead a comprehensive investigation and will		
			be the principal source of information about the	NTSB will investigate the gas leak, and will	
			investigation as it progresses	provide information about the cause	Accountability
			We will comply fully with any actions directed by the		
News Release	# PGE.com	Sept 12, 2010	CPUC (California Public Utilities Commission)	PG&E will cooperate with CPUC	Cooperative
					Promotion of generosity and
			In all our operations, safety is our top priority	PG&E promotes safety	social responsibility
			The second se	ern and the second s	
Tweet	# Twitter.com/PGE4ME	Sept 13, 2010	Today we announced the creation of the "Rebuild San Bruno Fund"	CSR promotion: announces that it has provided San Bruno with a fund to rebuild the community	Determined and reliable
weet	# Twitter.com/TGE4WE	Sept 15, 2010	The fund will make available up to \$100 million for the	San bruno with a rund to rebuild the community	Determined and reliable
			residents & city of San Bruno to help recover from last	Promotes how much money PG&E is providing	Promotion of generosity and
			Thursday's tragic event	the San Bruno community	social responsibility
			We provided San Bruno officials w/ an initial chech for		
			\$3 million to help compensate the city for its estimated		Promotion of generosity and
			expenses incurred to date.	the San Bruno community	social responsibility
			We are committed to help the healing and rebuilding process and allow the wonderful people of San Bruno	PG&E will do everything to rebuild the San Bruno	
			to begin to move forward.	community	Determined and reliable
				PG&E knows that no matter what people receive	
			We know that no amount of money can ever make up	in money it will not bring back their lost ones or	
News Release	# PGE.com	Sept 13, 2010	for what's been lost	homes	Empathical
			This approach (Dahuild Con Daire C. 1997) and		
			This program (Rebuild San Bruno fund) is just one piece of our promise that PG&E will live up to its		
			commitment to help rebuild this community and help	PG&E continues to promise that it will be	
			the people of San Bruno rebuild their lives	committed to rebuild San Bruno	Determined and reliable
			To administer these funds on behalf of the company,		
			PG&E will partner with government officials,		
			community leaders and organizations, including the		
			American Red Cross and the United Way of the Bay Area.	PG&E administer these funds together with the government and other organizations	Cooperative
		1	Alea.	Rovernment and other organizations	cooperative
			We are here today, and we'll continue to be here, said		
			Johns. We are going to be here as long as it takes and		
			do whatever it takes to help the people and the city of	PG&E will be in charge of rebuilding the San	
News Release	# PGE.com	Sept 13, 2010 (2)	San Bruno rebuild their lives and their community	Bruno community	Accountability
			We have found no record of anyone reporting smelling	The second se	
			gas in the affected San Bruno neighborhood from 9/1 - 9/9. We reached that conclusion after a thorough	The company has investigated the reports about gas leaks, and has apparently not found any calls	
Tweet	# Twitter.com/PGE4ME	Sept 16. 2010	review of all calls received by our four contact centers	about potential gas leaks	Determined and reliable
			e, etc. terreto	· · · · · · · · · · · · · · · · · · ·	

#### APPENDIX 3 /6

News Release	# PGE.com	Sept 20, 2010	It is critical that the public and communities we serve are assured that PG&E is rigorously monitoring its pipelines and responsibility maintaining its system in accordance with proven industry practices	It is important to PG&E that its customer feel confident in the company's safety regulations	Accountability
			By releasing information in the Top 100 today, we are taking another step to provide the public with the information it needs to better understand our long- term process for assessing and maintaining the safe operation of our natural gas transmission system The safety of the public and our employees is always	The company releases a report to provide the public and customers information about the safety around the pipelines	Accountability Promotion of generosity and
			our highest priority	PG&E promotes safety	social responsibility
News Release	# PGE.com	Oct 12, 2010	Pipeline 2020 will guide PG&E in fulfilling our pledge to customers and the public to ensure the safety and integrity of our gas transmission system	The program is supposed to guide customers and the public in its safety and its development plans	Accountability
			PG&E will collaborate with state and federal regulators, industry and scientific experts, and local agencies to enhance our ongoing efforts to adopt industry best practices, invest in system upgrades	PG&E will cooperate with the government and other institutions when it comes to improvements of the pipelines	Cooperative
			We thank the National Transportation Safety Board for today's release of its preliminary report on the tragedy	PG&E thanks NTSB for the report on the San	
News Release	# PGE.com	Oct 13, 2010	in San Bruno	Bruno accident	Grateful
			appreciate the painstaking efforts of the NTSB experts to conduct a thorough and comprehensive investigation to determine the root cause of this terrible accident	Promotes that it is happy with the report from NTSB	Cooperative
			It is critical to the public of San Bruno, our customers and the industry that we get to the bottom of this accident and take the necessary steps to prevent such tragedy from ever happening again We continue to extend our support and our	Is highlighting the importance of finding the cause of the accident and learning from it	Determined and reliable
			sympathies to the San Bruno community and the residents affected by this tragedy	Send its sympathies to the community of San Bruno	Empathical
News Release	#PGE.com	2	PG&E appreciates NTSB's thorough and dilligent investigation of the San Bruno accident. We will	PG&E appreciates the investigation and will continue to collaborate with NTSB	
PG&E Response to the NTSB Preliminary Report	#PGE.com	Dec 14, 2010	continue to cooperate fully with the investigation We are committed to working with the NTSB to get to the bottom of what caused this terrible tragedy so that our customers, our industry - and most importantly, the residents of San Bruno - have the answers that they need	PG&E is interested in learning what caused the fire so that customers and residents of the San Bruno community can rebuild trust in them	Grateful Determined and reliable
			PG&E is commited and determined to make our gas transmission system as safe and durable as possible. We remain dedicated, heart and soul, to restoring our customer's faith in PG&E's gas transmission system and to helping San Bruno recover and rebuild	PG&E promotes it commitment to rebuild San Bruno and gain trust from customers, residents and other stakeholders	Determined and reliable
DEPENDENT STAKEHOLDERS -Residents					
San Bruno Mayor - testimony	San Bruno mayor addresses U.S. Senate subcommittee today on impacts of gas line explosion	Sept 28, 2010	While this became an international news story about pipeline security, for us it always was about getting our hometown, San Bruno, back on its feet	The mayor is concerned about the San Bruno residents and the community	Demand for accountability & justice
			The investigations [of NTSB] will be vital to ensuring that this type of tragedy never occurs again and that no other community will be subjected to the horror that we continue to experience	The community lay their faith in the NTSB to make things right and ensure that it never happens again	Demand for accountability & justice
Jay Barman - SFist	"Five San Bruno families, one burlingame lawyer, bring new suits against PG&E"	Oct 20, 2010	Five new lawsuits were brought against PG&E (), five families affected by the Sept 9 inferno suing the utility for unspecified damages as well as the removal of the gas pipeline from the neighborhood	The victims of the explosion want justice for what happened to them and want security for the future from PG&E	Demand for accountability & justice
			demanding that PG&E turn over the control of its \$100 million victims' fund to an independent body	The victims of the explosion don't feel secure that the money given by PG&E will serve them properly	Demand for accountability & justice
			[the lawyer] and the families argue that PG&E was negligent, and they are demanding an immediate injunction forcing the company to "move, repair and/or replace the dangerous and defective pipeline"	They feel that PG&E didn't prioritize its safety measures, and thus, it should take responsibility for what happend and take proper measures to ensure that something like this never happens again	Neglience + Demand for accountability
San Bruno Patch	"Morales family files wrongful death suits against PG&E"	Jan 26, 2011	The lawsuit accuses PG&E of neglience and claims () that the fire was the direct result of PG&E's "ultrahazardous activities in operating Line 132 "Jessica's death has devastated the Morales family,	Accusing the company of playing a dangerous game with its pipelines, and not taking enough care with security	Neglience + recklessness
			and it was entirely preventable if PG&E had done its job"	Claiming PG&E is to blame for the mortalities	Neglience + recklessness

DEMANDING STAKEHOLDERS - Independent					
The New York Times	"Gas explosion prompts scrutiny of PG&E's profits"	Sept 18, 2010	when PG&E stumbles, the customers largely foot the bill	The costs related to missteps by PG&E will be transfered to its customers	Profit focus
			PG&E's guaranteed profits have come under scrutiny following the Sept 9 explosion of a company pipeline in San Bruno	Afraid PG&E is too focused on securing wealth	
			As investigators examine why the rupture occurred, PG&E's ratepayers - including those returning to the	safety of its customers Whether PG&E is found guilty or not, it is still the customers that will pay the cost for it	Profit focus Profit focus
			They get their cake and eat it too	A win-win situation for PG&E The company has a reputation to withold and can't afford to fail	Profit focus + Recklessness Profit focus
			PG&E is "too big to fail" Consumers were already paying for repairs that were to have been performed on a segment of the pipeline a few miles from the section that exploded	The customers of PG&E had already been	Profit focus
			PG&E told the state utilities commission in 2007 that the section had an unacceptably high risk of failure. Those repairs have not been made.	Three years prior to the explosion the company had exclaimed concern about the security of the pipeline, still the needed repairs were not performed	Neglience + recklessness
			Peter A. Darbee, the company's CEO, said in an interview that he was not prepared to discuss the explosion's financial impact on PG&E	Questioning whether the CEO is trying to hide or avoid talking about the financial implications related to the explosion	Claim of secrecy
			The relationship betweeen the utility, its regulators and customers is complex	Questioning the ties between PG&E, its regulators and its customers	Biased relationship
			Consumer-safety advocates have raised questions about whether the pipeline's age may have played a role in its failure. Pipeline safety has not been a primary focus for state regulators.	PG&E has a close tie and much power over its regulators, and hence, the regulators of this industry may not always have the right focus, i.e. neglecting consumer-safety	Neglience + recklessness
			The company was already having a rough year. () "I think that mistrust of PG&E is at an all-time high"	PG&E had received a lot of criticism throughout 2010, and the explosion in San Bruno didn't make the trust in the company particularly better	Claim of secrecy and insincerity
			There will only be an incentive to maintain the system properly when the utility knows it may face the wrath of its shareholders if there is system failure	Accusing PG&E of only focusing on its shareholders and their opinions	Profit focus
TURN - Consumer advocates	"San Bruno wake up call to CPUC"	Winter 2010	It is simply not enough to find out why the pipeline sprung a leak that ignited into a fireball. We want to know why inspections of that pipeline never identified the risk of a leak, and whether safety is the priority at PG&E	People are not happy with the safety regulations on the pipelines from PG&E, and believes that this accident should never happen in the first place	Claim of secrecy and insincerity
			Why has PG&E failed to complete pipeline repairs that customers were charged for?	What has the customers money been used on if it is not pipeline repairs?	Claim of secrecy and insincerity
			Has PG&E redirected money from repairs to management bonuses, including \$5 million to replace a section of Line 132 only 2.8 miles from the explosion? TURN especially wants to know why the CPUC has	Has the pipeline repair money been used as bonuses for PG&E management?	Profit focus
			been asleep at the wheel when it comes to its oversight of PG&E	CPUC has not done a good job when it comes to controlling the work of PG&E	Biased relationship
			We have long worried that CPUC has been unable to fulfill its duty to vigorously defend the public interest because it is not independent enough from the companies it regulates	CPUC seem to be a bit controlled by the companies it is working for	Biased relationship
TURN - Consumer advocates - blog	"Former NTSB chair calls PG&E 'reckless'"	Jan 10, 2011	NTSB chairman calls [PG&E] "a reckless enterprise" that was "obviously an exercise for their financial situation, not safety"	PG&E is more concerned about its financial situation than focusing on safety	Neglience + recklessness
			You are dealing with a pipe that has been in the ground more than 50 years, it has never had an internal inspection tool in it, has incomplete records, and they now artificially spike the line?		Neglience + recklessness
TURN - issues	"CA senator Florez: PG&E hides key documents on gas line safety impending CA senate investigation"	Oct 15, 2010	PG&E officials are not telling the truth when they say that the Federal Government is preventing them from releasing important documents PG&E's culture of concealment is so deeply rooted that	Does not believe that the Government is preventing PG&E from releasing documents	Claim of secrecy and insincerity
			it's now putting false words into the mouths of federal investigators Florez noted that the San Bruno tragedy is more than a	PG&E is not trustworthy	Claim of secrecy and insincerity
			month old, and PG&E continues to keep the citizens of California in the dark	A month after the accident, people in California is still not getting their answers	Claim of secrecy and insincerity
TURN - issues		n/a 2010	In San Bruno, once again customers did the right thing and called PG&E when they smelled gas. Had PG&E done the right thing in response, the explosion might not have occurred.	If PG&E had responded to calls about gas smell, the San Bruno fire might be avoided People are not comfortable in living in areas with	Neglience + recklessness
			Our lives is literally in PG&E's hands, and that's scary If customers can't depend on PG&E to respond quickly	People are not comfortable in living in areas with pipelines from PG&E	Neglience + recklessness
			and effectively to potential safety problems, it falls on the CPUC to step up to protect Californians and hold PG&E responsible	CPUC need to be more accountable, and take charge if PG&E is not doing its job	Demand for increased regulation and accountability

DEFINITIVE					
STAKEHOLDERS - Financial institutions					
	"Moody'r: DCP 5		Moody's Investors Service said Monday its credit	The codificating agone, her fifth in the second	
Yahoo! Finance http://finance.yahoo.com/n	"Moody's: PG&E ratings unaffected by explosion"	Sept. 13, 2010	ratings for PG&E Corp. () are not affected by the deadly gas pipe explosion in California	The credit rating agency has faith in the company and is not too concerned	Financial confidence
nttp://finance.yanoo.com/n ews/Moodys-PGE-ratings- unaffected-apf-			But the ratings firm said the explosion could lead to	Concerned with the regulatory implications	Concern for increased
1395658750.html?x=0				related to the explosion	regulation
			Moody's said it is more concerned about the potential impact the explosion may have on PG&E's relationship with CPUC and other key constituents in California.	Not necessarily concerned with the direct financial implications of the explosion, rather the regulatory implications	Concern for increased regulation
				Too early to know the exact financial implications of the explosion, but is boosting the negative focus on the company	Concern for reputational implications
			Standard & Poor's on Friday placed its rating on the company on review for possible downgrade	S&P expressing concern about the financial situation of the company	Concern for reputational implications
			Shares of PG&E slipped 2 cents to \$44.19 in afternoon trading	Decrease in the value of the the company's shares reflects uncertainty in the financial market	Uncertainty among investors
The Street	"PG&E explosion selloff exceeds evidence"	Sept. 13, 2010	on Friday after a company pipeline exploded in the	Dramatic decrease in the value of the company's shares - reflecting uncertainty in the financial market	Uncertainty among investors
http://www.thestreet.com/ yahoo/story/10857719/1/ pge-explosion-selloff- exceeds- evidence.html?cm_ven=YA HOO&cm_cat=FREE&cm_it e=NA			increased, and more details emerged about the		Uncertainty among investors - Concern for increased regulations
			PG&E shares lost more than 8% on Friday In terms of market cap of PG&E, more than \$1.2 billion was shaved off by investors as a result of the explosion	The market value of the company fell dramatically	Uncertainty among investors
			However, the analyst ranks are split over whether the pipeline explosion is reason to shift a view on shares of PG&E	Differing opininion among analysts	Uncertainty among investors
			A negative outlook on PG&E from Morgan Stanley, with its analyst cutting PG&E from a buy to a hold, and citing the uncertainty caused by the pipeline explosion	Morgan Stanley downgraded PG&E's ranking	Uncertainty among investors
			Several other analyst suggest buying PG&E shares in the tragedy's aftermath, arguing that it would be a surprise if PG&E did not have adequate insurance to cover the damages and liabilities		Confidence in the company's financial strength
			In any event, the utility market expert compared the \$ 1 billion loss in market value to what they estimated would be a potential liability of less than \$200 million	Believe the market reaction was too dramatic compared to the potential liability	Confidence in the company's financial strength
Bloomberg	"PG&E beats estimates, reports \$238 million cost from California pipe blast"	Nov. 4, 2010	"It looks like the numbers for the quarter were pretty good and that is why the stock is up a little bit"	The company has perfomed better than expected	Confidence in the company's financial strength
http://www.bloomberg.co m/news/2010-11-04/pg-e- beats-estimates-reports- 238-million-cost-from- california-pipe- blast.html?cmpid=yhoo			The stock which has 13 buy and six hold recommendations from analysts, has risen 9 percent this year		Confidence in the company's financial strength
			The estimated expenses from the incident "appear to be well below investors' worst fears"		Confidence in the company's financial strength
Reuters	"S&P: removes PG&E Corp. Rating from watch negative"	Dec. 15, 2010	Standard & Poor's Ratings Services said today that it resolved its negative CreditWatch listing for PG&E Corp. The outlook is stable.		Confidence in the company's financial strength
http://www.reuters.com/ar ticle/2010/12/15/markets- ratings-pggcorp- idUSWNA713720101215?fe edType=RSS&feedName=ut ilitiesSector&rpc=43			We had placed the ratings on CreditWatch with negative implications on Sept.10, the day after an accident in San Bruno, California	The negative ratings was placed awaiting the implications of the explosion	Uncertainty among the investors
			The CreditWatch listing reflected uncertainty regarding the ultimate costs of the San Bruno blast, the potential reputational damage to the utility, and the possibility that the incident could weaken the utility's constructive regulatory support, which is a critical underpinning for the ratings		Concern for increased regulation and reputational implications
			"The resolution of the CreditWatch listing reflects greater certainty around the cost estimates relating to the accident, as well as our expectation that these costs will be manageable for the company"	3 months after the incident the credit rating agency has regained faith in the company's financial condition	Confidence in the company's financial strength
			PG&E's business risk has increased as a result of the San Bruno incident, but remains in the "excellent" category. Management's strategy to rebuild the public's trust will be an important component of our ongoing assessment of credit quality	company's financial abilities	Confidence in the company's financial strength
			The stable outlook incorporates our expectation that the firm will maintain its financial profile and coverage metrics throughout the resolution of claims for the San Bruno accident	Confident that the financial outlook of PG&E will remain stable following the resolution of the	Confidence in the company's financial strength

## Themes - According to BP

### Determined and reliable

- BP pledges full support for Deepwater Horizon probes
- As an industry, we must participate fully in these investigations
- We are doing everything in our power to eliminate the source of the leak and contain the environmental impact of the spill
- We are determined to fight the spill on all fronts
- In the past few days I've [BP's CEO] seen the full extent of BP's global resources and capability being brought to bear on this problem
- We are determined to succeed
- We will be judged by the success we have in dealing with this incident and we are determined to succeed
- Where people can present legitimate claims for damages we will honour them
- I reiterated my commitment to the White House today that BP will do anything and everything we can do to stop the leak, attack the spill off shore, and protect the shorelines of the Gulf Coast

## Determined and reliable (contd.)

- ...is focused on doing everything in our power to stop the flow of oil, remove it from the surface, and protect the shoreline
- I know these sentiments will continue until the leak is stopped, and until we prove through our actions that we will do the right thing
- We said all along that we would pay these costs

   and now the American people can be
   confident that our word is good
- I promised them as I am promising you, that we will make this right
- I am here today because I have a responsibility to the American people to do my best to explain what BP has done, is doing, and will do in the future to respond to this terrible accident
- I give my pledge as leader of BP that we will not rest until we make this right
- We are a strong company and no resource will be spared

### Cooperative, Appreciative and Accountable

- Announces its full support and cooperation with U.S. government investigations
- Last week BP launched its own investigation into the incident an has an investigation team at work
- BP is mobilizing its full resources to fight the oil spill
- BP is today setting up offices in each of these communities manned by company staff to provide information on what is happening, what is being done and any developments
- These efforts are in addition to the ongoing work by Transocean, MMS, the U.S. Coast Guard, and the other organizations within the United Command
- ...welcome the offers of further assistance we have had from...
- We are taking full responsibility for the spill and we will clean it up
- BP has called on expertise from other companies (...) to help it activate the blow out preventer ...
- Hayward applauds President's statement on oil spill
- The U.S. Government leadership has been excellent since day one
- I agree with the President that the top priority right now is to stop the leak and mitigate the damage
- We appreciate the tireless efforts of the many federal, state and local responders and the volunteers, men and women who have worked trielessly since the date of the accident to mitigate the damage
- Our teams are working hand in hand and we look forward to hearing more recommendations for action from the President's visit today

Cooperative, Appreciative and Accountable (contd.)

- We absolutely understand and share President Obama's sense of urgency over the length of time this complex task is taking
- We want to thank the President and his administration for their ongoing engagement in this effort
- BP working closely with scientists and engineers from across the whole industry...
- We are working with state and community leaders to mitigate the impact on the lives and livelihoods of those who have been affected
- And while we continue in these efforts, we are participating fully in investigations that will provide valuable lesssons about how to prevent future incidents of this nature
- We discussed [with the President] how BP could be more constructive in the government's desire to bring more comfort and assurance to the people of the Gulf Coast beyond the activity we have already done
- We and the entire industry will learn from this terrible event and emerge from it stronger, smarter and safer
- BP takes full responsibility for responding to the Deepwater Horizon incident

# Disclaim of responsibility

- ... from the sinking of the Transocean oil rig Deepwater Horizon
- Losing 11 of our industry colleagues
- ... the explosion and sinking of the Transocean Deepwater Horizon
- ...which follows the sinking of the Transocean Deepwater Horizon oil rig
- The oil spill follows the sinking of the Transocean's drilling rig Deepwater Horizon...

## Empathic and regretful

- The explosion and fire aboard the Deepwater Horizon and the resulting spill in the Gulf of Mexico never should have happened – and I am deeply sorry that it did
- When I learned that eleven men had lost their lives, I was personally devastated
- I want to offer my sincere condolences to their friends and families
- I also deeply regret the impact the spill has had on the environment, the wild life and the ecosystem of the Gulf
- We don't yet have answers to all these important questions. But I hear and understand the concerns, frustrations – and anger – being voiced across the country
- I have been to the Gulf Coast I understand what they are going through
- BP deeply regrets the oil spill that has occurred in the Gulf of Mexico as a result of the Deepwater Horizon incident

# Themes - According to BP's stakeholders

#### Demand for accountability and justice

- "Someone said BP must not be left off the hook, I agree" (EPA chief, Lisa P. Jackson)
- "In NOLA Pres. Obama sent clear message: BP must put responsibilities to people & small biz of this area ahead of concerns about shareholders" (EPA chief, Lisa P. Jackson)
- "BP earned profits of \$14 billion in 2009, and over \$6 billion in the first quarter of 2010. BP can afford, and should be required, to pay all damages caused by its massive oil spill" (BP oil news)
- "...You can be sure that BP will be held accountable to the full extent of the law" (BP oil news)
- "We're no engineers. We have no way of evaluating the merits of this idea, but wouldn't it be nice if BP was doing everything it could to stop the loss of livelihood, the loss of marine life, and the economic and environmental devastation caused by their spill?" (BP oil news)
- "We cannot rest and will not rest until BP permanently secures the well head and cleans up every drop of oil" (Nola)
- "As the president and the law have made clear, BP as the responsible party must fund cleanup costs" (Nola)
- "They have to repair the problem. I'm not sure if anything else is going to matter until they do" (Nola)
- "And they should apologize" (Nola)
- "We are confident that at the end of the day, BP will pay. We are not worried about the cash flow. We expect BP to live up to their legal responsibilities" (Nola)

#### Demand for accountability and justice (contd.)

- "Hardworking people should not be forced into poverty by the oil spill" (CNN Money)
- "We need to understand why so many claims have not been paid, some for many weeks" (CNN Money)
- "More than 40 days into this disaster, people's livelihoods are on indefinite hold, it is becoming harder to support their families and some even face eviction from their homes" (CNN Money)
- "Immediate assistance from BP is critical" (CNN Money)
- "Many businesses already have begun to close or are teetering on the edge of having to close because of the oil spill" (CNN Money)
- "We've lost this summer... I just hope we don't lose next summer, so BP needs to get on it and deal with this oil now so maybe we can save the summer of 2011" (CNN)
- "Today I lose my property and liability insurance on my other business. Today I lose my health insurance for my employees. Monday I let off 12 of my employees. I cannot pay my workers compensation insurance today", a 41 year-old Santa Rosa resident (CNN)
- "This is the saddest thing I've ever seen, said Cox, who had rented only a dozen umbrellas to beachgoes all morning. "Last year at this time, we had more than 1,000 people here" (Palm Beach Post)
- "The entire coastline of the island has oil on it. If you walk on the beach , you will get oil on you.. If you swim in the ocean, you will get oil on you" (LA Times)

Demand for accountability and justice (contd.)

- "As far as I'm concerned, BP is responsible for this horrific disaster, and we will hold them fully accountable on behalf of the United States as well as the people and communities victimized by this tragedy" (President Obama, the White House)
- "We will demand that they pay every dime they owe for the damage they've done and the painful losses that they've caused" (President Obama, the White House)
- "We will continue to take full advantage of the unique technology and expertise they have to help stop this leak" (President Obama, the White House)
- "... when it comes to stopping the leak down below, the federal government does not possess superior technology to BP" (President Obama, the White House)
- "The administration will continue to hold the responsible parties accountable for repairing the damage, and repaying the Americans who've suffered a financial loss as a result of the BP oil spill" (the White House blog)
- "I have confidence in the resiliency of the Gulf region, but we will ensure BP fulfills their obligations for the damage that has been done" (Barack Obama)

#### Demand for accountability and justice (contd.)

- "I [Obama] emphasized to the chairman [Svanberg] that when he's talking to shareholders, when he's in meetings in his boardroom, to keep in mind the individuals [affected by this crisis]" (Pres.Obama, the White House)
- "I indicated to the chairman that (...) the standard I'm going to apply is whether or not those individuals I met with, their family members, those communities that are vulnerable, whether they are uppermost in the minds of concern. That's who we're doing this for" (Pres. Obama, the White House)

#### Claim of insufficiency and unsatisfactory approach

- "Rear Adm. Watson gives BP 48 hrs for more aggressive oil contamination plan" (EPA)
- "To have to walk this beach and look at what BP has done is infuriating. It makes me angry. (...) It's going to take a while to attack this issue" (EPA chief -Palm Beach Post)
- "BP, in charge of the cleanup, needs to spend more resources attacking the disaster" (EPA chief Palm Beach Post)
- "Just saw clean up operations on Pensacola Beach. Our beaches are precious. We will continue to hold BP responsible" (EPA chief, Lisa P. Jackson)
- "Although BP is accepting and paying some oil spill claims, it is paying too little, too late" (BP oil news)
- "It's also failing to give people and businesses information about how much they will be paid, and when they will be paid, in the future" (BP oil news)
- "I don't believe it is enough to label this catastrophic failure as an unpredictable and unforseeable occurrence. I don't believe it is adequate to simply chalk what happened up to a view that accidents just happen" (Care 2)
- "It is clear that after several unsuccessful attempts to secure the source of the leak, it is time for BP to supplement their current mobilization as the slick of oil moves toward shore" (NY Times)

Claim of insufficiency and unsatisfactory approach (contd.)

- "BP committed to paying them enough to stay open and keep their employees on the payroll, but that is not happening. BP needs to live up to its commitments that it will pay for the losses that result from the spill" (CNN Money)
- "I think we need more people out here cleaning up. If they don't pick this stuff up when it's out here and the tide comes in and ends up burying it" (CNN)
- "The process that we've been working our way through over the last 60 days is not perfect. I would not even stand here and try to pretend that it's perfect, Willis [BP vice president] said" (Palm Beach Post)
- "This [Westwego] is a ghost town, stall operator Ivis Fernandez, 43, said in frustration. "Usually we're so packed now that the police come to direct traffic. We're really struggling" (LA Times)

### Demand for increased regulation

asymmetric power relation

- "Lots of people blaming this on Bush or Obama. Pph, we wish. The truth is the Presidents don't have any control over what we do" (BP Global PR)
- "... our examination of what happened here wil have the goal of putting in place improved systems to ensure that this catastrophe does not recur" (Care 2)
- "For years, there has been a scandalously close relationship between oil companies and the agency that regulates them" (President Obama, the White House)
- "What's also been made clear from this disaster is that for years the oil and gas industry has leveraged such power that they have effectively been allowed to regulate themselves" (President Obama, the White House)

# Disclaim of responsibility

- "As part of our continued re-branding effort, we are now referring to the spill as 'Shell Oil's Gulf Coast Disaster'" (BP Global PR)
- "BP's response... an exercise in fingerpointing" (Care 2)
- "The conclusion that I draw is that nobody assumes the responsibility" (Care 2)
- "We [BP] would expect the various parties involved in this (oil spill) to live up to their responsibilities" (The New York Times)
- "...But by this time the BP representative had slipped out the door; he was clearly having some trouble trying to defend the indefensible" (Greenpeace)
- "As BP destroys our priceless planet, its lawyers gear up to save the company from paying for the damage" (Greenpeace)

# Profit focus

- "Safety is our primary concern. Well, profits then safety. Oh, no – profits, image, then safety, but still – it's right up there" (BP Global PR)
- "Words can not express how sorry we are. So we are going to stop apologizing and just give our investors \$10 billion" (BP Global PR)
- "BP's interests are aligned with the public interest to the extent that they want to get this well capped. It's bad for their business. It's bad for their bottom line" (President Obama, the White House)
- "As the world's desperation for oil piques and the cost of oil increases, oil companies will be more and more inclined to ignore risk" (Greenpeace)
- "... the oil dispersants that BP has been using in the Gulf, in the vague hope of breaking up the oil (...) (not that the oil goes away, it's just less of a PR nightmare for BP)" (Greenpeace)

### Enforced control of information flow

- "We're paying Google a lot of money to make sure you only have access to the best possible info on the oil spill: our info" (BP Global PR)
- "We're not blocking all reporters from the gulf – just the ones who aren't going to say nice things about us" (BP Global PR)
- "We are doing everything we can to stop the information leaks in the gulf" (BP Global PR)
- "We are now 51 days into the oil spill disaster, and BP still has such a stranglehold on access to the Gulf that only a few pictures have trickled out of the area" (BP oil news)
- "And the lack of photographs is the direct result of BP's shutdown of the media" (BP oil news)

### Arrogance and Trivialization of issue

- "Obama wants us to start a liability account to pay spill victims. We'd rather not, but thanks for asking" (BP Global PR)
- "Didn't mean to say 'We care about the small people'. Meant to say 'We care about the nobodies'. Our bad" (BP Global PR)
- "CEO Tony Hayward, recently said "The Gulf of Mexico is a very big ocean. The amount of volume of oil and dispersant we are putting into it is tiny in relation to the total water volume" (Greenpeace)
- "His [the CEO] comment shows a cynical disregard for the reality of what is happening here to the environment, wildlife and communities who live and work here on the southern coast of the US" (Greenpeace)
- "I'm not sure whether Hayward and the folk at BP are just being arrogant or ignorant – or maybe both" (Greenpeace)

### Lack of integrity and trust

- "It's BP's business interests that led to the problem, and BP was entrusted to exploit the common good, undoubtedly based on guarantees of environmental stewardship and safety" (Care 2)
- "...BP wasn't prepared to handle a blow-out to begin with" (Care 2)
- "I think it's a legimate concern to question whether BP's interests in being fully forthcoming about the extent of the damage is aligned with the public interest" (President Obama, the White House)
- "My attitude is that we have to verify whatever it is they say about the damage" (President Obama, the White House)
- "With deep sea drilling, BP is pushing the technology to its limits this accident shows that they have pushed it beyond its limits. So too with the response to the spill. No one knows how to stop it" (Greenpeace)
- "Hayward compared the oil industry to the Apollo mission quoting the Apollo 13 unsuccessful moon mission as a comparison to what his company is doing" (Greenpeace)
- "Haywayrd says that he "will be judged by the nature of the response" – no: BP has been judged and found guilty in the court of public opinion of betraying the trust and confidence of the communities in which it works" (Greenpeace)
- "BP is battling the oil spill in the Gulf and desperately trying to employ some sort of brand damage control that will work both efforts seem to be doing rather badly" (Greenpeace)

#### Under Governmental control

- "The American people should know that from the moment this disaster began, the federal government has been in charge of the response efforts" (President Obama, The White House)
- "But make no mistake: BP is operating at our direction. Evert key decision and action they take must be approved by us in advance" (President Obama, the White House)
- "At our insistence, BP is paying economic injury claims, and we'll make sure that when all is said and done, the victims of this disaster will get the relief that they are owed" (President Obama, the White House)
- "BP under the Oil Pollution Act of 1990, is considered the responsible party..." (President Obama, the White House)
- "[the government] had an understanding that if BP wasn't doing what our best options were, we were fully empowered to instruct them, to tell them to do something different" (President Obama, the White House)
- "Pres. Obama will meet with BP tomorrow to tell them to set aside necessary funds to compensate businesses and people who have been harmed" (Barack Obama)
- "A long-term Gulf Coast Restoration Plan will be paid for by BP but designed by states, local communities, businesses and other Gulf residents" (Barack Obama)
- "The people of the Gulf have my commitment that BP will meet its obligations to them" (President Obama, the White House)

# Themes - According to Chevron

### Determined and reliable

- The [We agree] campaign highlights the common ground Chevron shares with people around the world on key energy issues, it also describes the actions the company takes in producing energy responsibly and in supporting the communities where it operates.
- There is a lot of common ground on energy issues if we take the time to find it.
- This campaign demonstrates our values as a company and the greater value we provide in meeting the world's demand for energy.
- We agree Oil companies need to get real
- Chevron's new advertising campaign is meant to identify and highlight common ground on key energy issues so we can move forward safely, intelligently and collaboratively.
- We use Twitter to share company news, and, to listen to the online conversation.
- We are proud to continue to deliver great shareholder return

Promotion of Empathy and Generosity

- We hear what people say about oil companies – that they should develop renewables, support communities, create jobs and protect the environment – and the fact is we agree.
- We agree Oil companies should put their profits to good use
- We agree Big oil should support small business
- We agree Oil companies should support the communities they're part of
- Chevron's support for immunization against Polio benefits 1.2 million people in the Angolan province of Cabinda

### Disclaim of responsibility (defensive)

- Unfortunately there are some who are not interested in engaging in a constructive dialogue, and instead have resorted in rhetoric and stunts (response to the spoof campaign)
- Today, activist groups have attempted to interrupt the conversation by issuing a fake press release and establishing a counterfeit website, which are not affiliated with Chevron
- Misleading press releases aim to obscure overwhelming evidence of fraud
- Lago Agrio plaintiffs' consultants concede that \$113 billion damages claim lacks scientific basis
- Illegitimate judgment against Chevron in Ecuador lawsuit
- The Ecuadorian court's judgment is illegitimate and unenforceable
- It is the product of fraud and is contrary to the legitimate scientific evidence
- Chevron will appeal decision in Ecuador and intends to see that justice prevails

### Offensive – fighting back

- More [Crude outtakes] tapes the plaintiffs don't want you to see
- 2nd Circuit Court Appeals affirms previous SDNY decisions; Grants discovery and depositions from Steven Donziger
- Law review: Legal maneuvers in Ecuador costly to plaintiffs
- Chevron does not believe today's judgment is enforceable in any court that observes the rule of law
- Chevron intends to see that the perpetrators of this fraud are held accountable for their misconduct

# Themes – According to Chevron's stakeholders

#### Demand for accountability and justice

- "The international community should impose upon Chevron-Texaco the moral duty to pay this money" (OpenMarket Blog)
- "Chevron, through its lawyers, are benefiting from a crime, which is recording conversations without authorization, with the intent to hurt Ecuador's prestige in the event of a judgment adverse to them, and for this they should face Ecuadorian justice, Mera said" (Bloomberg)
- "Could you imagine the BP oil spill continuing unabated for 30 more years and then trying to deny that it affected people living in the Gulf?" (The Huffington Post)
- "If you could ask Chevron one question, what would it be?" To which I responded: "Why are you trying to hide the responsibility you have in Ecuador's Amazon rainforest?" (The Huffington Post)
- "CEO John Watson opened Chevron's 2010 Annual Report by telling the corporation's stockholders that '2010 was an outstanding year for Chevron'. The communities who bear the cost of Chevron's operations do not agree" (Global Exchange Blog)
- "We agree Oil companies should not abuse human rights" (Global Exchange Blog)
- "Chevron't shocking cancer problem in Ecuador: 10,000 could die, says expert" (Amazon Watch)
- "Chevron's misleading ad campaign ignores toxic legacy in Ecuador rainforest" (Amazon Watch)
- "Today =17 years since the affected people filed the suit to demand Chevron clean up its pollution in Ecuador. Enough already!" (Amazon Watch)

Claim of lack of empathy & trivialization of issue

- "I [Chevron's Global Issues and Policy Manager, Silvia Garrigo] have makeup on my face and there's naturally occurring oil in my face. That doesn't mean I'm going to get sick from it" (OpenMarket Blog)
- Amazon Watch: "Chevron has used legal maneuvers and smear tactics to delay and disrupt the Ecuadorian trial, drain the resources of the plaintiffs, and deny justice of thousands of people in the Amazon region of Ecuador who continue to suffer from the oil giant's toxic legacy" (The Huffingtion Post)

### Lack of integrity and trust

- "... that a cursory review of the heavily-edited tapes that Chevron posted to its website shows that, in some instances, Chevron's own translation of the Spanish into English is poor and, in other instances, misleading" (Bloomberg)
- "... any and all evidence that Chevron contends supports its contention of impropriety" but noted that Chevron's decision to air the evidence on the Internet rather than to send it to the Ecuadorian government raised "some questions as to Chevron's intentions" (Bloomberg)
- "The whole BP spill put all the oil companies in a terrible light, and Chevron wants to explain that they're more environmentally conscious than people realize, and not the bad guys people view them as. It sounded like disingenous greenwash from Chevron" (The Huffington Post)
- "I've dedicated a significant portion of my academic career studying the impact of Chevron's operations in the Amazon rainforest, and I quickly realized that maintaining credibility as an environmentalist while helping Chevron polish its green image was like trying to mix oil and water" (The Huffington Post)
- "A brilliant fake ad campaign by corporate crime-fighting media tricksters the Yes Men (...) mocked up the very ads that might have resulted if Chevron were to have interviewed the Ecuadorians for the "We agree" campaign" (The Huffington Post)
- "The fake ads made by these groups highlight the important truths that Chevron's PR campaign seems designed to conceal" (The Huffington Post)
- "Rainforest Action Network and the Yes Men have put together a great campaign focusing on Chevron's efforts to green wash their poor environmental record" (Al Gore Blog)

### Lack of integrity and trust (contd.)

- "Chevron has a long history of avoiding their dirty mistakes through greenwashing ads and paying reporters to create their own news videos about the contamination of the Amazon" (Greenpeace Blog)
- "These communities have seen Chevron continue its long history of human rights violations, ignore longstanding decisions of indigineous communities, destroy livelihoods, and convert dollars into unjust political influence in the United States and around the world" (Global Exchange Blog)
- "Chevron's toxic waste pits in Ecuador: Designed to pollute" (Amazon Watch)
- "Testimony of Chevron's lead Ecuador expert in the U.S. Court proceedings rejected by jury; Erodes his credibility" (Amazon Watch)
- "Chevron's pricey PR push still cheaper than pollution cleanup" (Amazon Watch)
- "Greenwash or Hogwash?" 'We agree' that Chevron's new ads are both" (Amazon Watch)
- Yahoo News: "Chevron's new PR push quickly turns into nightmare as pranksters hijack the message" (Amazon Watch)
- "Chevron cares about what?" (Amazon Watch)
- "Chevron thinks we're stupid but there is something very ironic about that" (Amazon Watch)
- "Chevron loves to try to change the conversation anything but their disaster in Ecuador" (Amazon Watch)
- "Chevron's new ad campaign thinks you're really stupid. RT this to let them know you're not" (Funny or Die)
- "How social media is changing the world; Bad for Chevron, good for ChangeChevron" (Amazon Watch)
- "Ad Age's biggest branding & marketing fiascoes of 2010? Sorry Chevron. You deserve it!" (Amazon Watch)

### Deceitful

- "Chevron Executive Vice-President Charles A.James:"as legal advisor to President Correa, Mr. Mera must recognize that his statements to the media only raise further concerns of prejudgment and government involvement in the trial" (Bloomberg)
- S. Donziger:"... at the end of the day, this is all for the court just a bunch of smoke and mirrors bullshit. It really is. We have enough, to get money, to win" (CNN Money)
- "This is something you would never do in the United States, Donziger (plaintiffs' lawyer) says, but Ecuador you know, this is how the game is played. It's dirty" (CNN Money)
- "... this [Chevron bribing the judge] would never happen in any judicial system that had integrity" (CNN Money)
- "While Chevron tries to spin the truth in the U.S., its tricks in Ecuador may be far dirtier and deadlier" (Greenpeace Blog)
- "Recent evidence points to the possibility that Chevron tampered with contaminated samples that has been evidence in the case. Others testifying against Chevron have received death threats" (Greenpeace Blog)

Demand for justice to be prevailed

- "As the Chevron and Occidental cases wend their way through the courts, they underscore the institutional weakness that still dogs many Latin American countries as they seek to capitalise on recent economic and democratic gains" (The Financial Times)
- "Credible institutions take time to build, but as a resource-hungry world turns its eyes to the Amazon, change needs to come sooner rather than later" (The Financial Times)

Concern for reputational implications (investors)  "Even if Chevron never has to pay, the ruling could worsen what has already been a public relation nightmare for the oil giant when all oil companies are under added scrutiny in the wake of last year's oil spill in the Gulf of Mexico" (The Wall Street Journal)

### Investor confidence

- "Investors, however, shrugged off the ruling Monday. Chevron's shares rose 1.3% to \$96.95 in 4pm composite trading on the New York Stock Exchange" (The Wall Street Journal)
- "Woody Allen made "Bananas" in 1971 about a South American banana republic, but as a slapstick comedy it's hard to beat this week's \$8.6 billion judgment against Chevron by a provincial court in Ecuador. The only thing more preposterous than the case is that the plaintiffs want more" (The Wall Street Journal)
- "The fact that Texaco cleaned up its sites and was released from liability by the government of Ecuador and state oil company PetroEcuador didn't stop the plaintiffs, led by attorney Steven Donziger, from concocting a case through" (The Wall Street Journal)
- "While many corporate defendants settle to avoid headline risk, Chevron has fought back" (The Wall Street Journal)
- "... the stock market gave the judgment a collective yawn on Monday, suggesting that few investors expect the plaintiffs will ever pocket the far-fetched billions bestowed by the Ecuador court" (The Wall Street Journal)
- "We hope the company's refusal to surrender to lawyers in league with a banana republic sends a message to other aspiring bounty hunters" (The Wall Street Journal)

### Claim of illegitimate lawsuit

- "Exhibit B is a vast archive of shady remarks in clips and outtakes from "Crude", a documentary on the case that captures potential misconduct by both the plaintiffs and the government of Ecuador" (The Wall Street Journal)
- "According to Chevron's complaint in federal court in New York, the plaintiffs falsified evidence in an attempt to extort a settlement" (The Wall Street Journal)
- "There is more at stake here than one company's bottom line. The Ecuador suit is a form of global forum shopping, with U.S. trial lawyers and NGOs trying to hold American companies hostage in the world's least accountable and transparent legal systems" (The Wall Street Journal)
- "If the plaintiffs prevail, the result could be a global free-for-all against U.S. multinationals in foreign jurisdiction" (The Wall Street Journal)

# Themes - According to PG&E

### Determined and reliable

- We have crews on the scene & are working w/emergency officials who are looking into the cause. Priority right now is to make the area safe
- We have crews on the scene & are working w/emergency officials who are looking into the actual cause, which is still unknown
- We have secured our gas transmission line and have crews on the site to control the distribution line to make it safe for everyone
- Regarding gas leak claim we will be looking into these reports and sharing the facts as part of the investigation
- Today we announced the creation of the "Rebuild San Bruno Fund"
- We are committed to help the healing and rebuilding process and allow the wonderful people of San Bruno to begin to move forward
- This program is just one piece of our promise that PG&E will live up to its commitment to help the people of San Bruno rebuild their lives
- We have found no record of anyone reporting smelling gas in the affected San Bruno neighborhood from 9/1-9/9. We reached that conclusion after a thorough review of all calls received by our four contact centers.
- It is critical to the public of San Bruno, our customers and the industry that we get to the bottom of this accident and take the necessary steps to prevent such tragedy from ever happening again
- We are committed to working with the NTSB to get to the bottom of what caused this terrible tragedy so that our customers, our industry and most importantly, the residents of San Bruno have the answers that they need
- PG&E is committed and determined to make our gas transmission system as safe and durable as possible. We remain dedicated, heart and soul, to restoring our customer's faith in PG&E's gas transmission system and to helping San Bruno

### Regretful and Empathic

- Our thoughts go out to everyone affected by this terrible situation
- We've heard the reports as well and we are looking into it . Our thoughts are with anyone that has been impacted by this tragedy.
- The priority right now is to make the area safe, and we are working with the Red Cross to provide emergency shelter for those in need
- Again, our thoughts go out to anyone affected by this terrible situation
- We know that no amount of money can ever make up for what's been lost
- We continue to extend our support and our sympathies to the San Bruno community and the residents affected by this tragedy
- PG&E is committed and determined to make our gas transmission system as safe and durable as possible. We remain dedicated, heart and soul, to restoring our customer's faith in PG&E's gas transmission system and to helping San Bruno

#### Accountability

- Though a cause has yet to be determined, it appears a PG&E transmission line was involved
- If it is determined that the initial cause involved one of our facilities, we will take full responsibility and do what is necessary
- If it is ultimately determined that we were responsible for the cause of the incident, we will take accountability
- NTSB will lead a comprehensive investigation and will be the principal source of information about the investigation as it progresses
- We are here today, and we'll continue to be here, said Johns. We are going to be here as long as it takes and do whatever it takes to help the people and the city of San Bruno rebuild their lives and their community
- It is critical that the public and communities we serve are assured that PG&E is rigerously monitioring its pipelines and responsibility maintaining its system in accordance with proven industry practices
- By releasing information in the Top 100 today, we are taking another step to provide the public with the information it needs to better understand our long-term process for assessing and maintaining the safe operation of our natural gas transmission
- Pipeline 2020 will guide PG&E in fulfilling our pledge to customers and the public to ensure the safety and integrity of our gas transmission system

#### Cooperative

- ... we are working with the Red Cross to provide emergency shelter for those in need
- ... working w/emergency officials
- We will comply fully with any actions directed by the CPUC
- To administer these funds on behalf of the company, PG&E will partner with government officials, community leaders and organizations, including the American Red Cross and the United Way of the Bay Area
- PG&E will collaborate with state and federal regulators, industry and scientific experts, and local agencies to enhance our ongoing efforts to adopt industry best practices, invest in system upgrades ...
- ... appreciate the painstaking efforts of the NTSB experts to conduct a thorough and comprehensive investigation to determine the root cause of this terrible accident

Promotion of Generosity and social responsibility

- In all our operations, safety is our top priority
- The fund will make available up to \$100 million for the residents & city of San Bruno to help recover from last Thursday's tragic event
- We provided San Bruno officials w/ an initial check for \$3 million to help compensate the city for its estimated expenses incurred to date
- The safety of the public and our employees is always our highest priority

# Themes – According to PG&E's stakeholders

#### Demand for accountability and justice

- "While this became an international news story about pipeline safety, for us it always was about getting our hometown, San Bruno, back on its feet" (San Bruno mayor)
- "The investigations [of NTSB] will be vital to ensuring that this type of tragedy never occurs again and that no other community will be subjected to the horror that we continue to experience" (San Bruno mayor)
- "Five new lawsuits were brought against PG&E (...), five families affected by the Sept 9 inferno suing the utility for unspecified damages as well as the removal of the gas pipeline from the neighborhood" (Sfist)
- "... demanding that PG&E turn over the control of its \$100 million victims' fund to an independent body" (Sfist)
- "If customers can't depend on PG&E to respond quickly and effectively to potential safety problems, it falls on the the CPUC to step up to protect Californians and hold PG&E responsible" (TURN)
- "... they are demanding an immediate injunction forcing the company to 'move, repair and/or replace the dangerous and defective pipeline'" (Sfist)

### Claim of neglience and recklessness

- "[the lawyer] and the family argue that PG&E was neglient..." (Sfist)
- "The lawsuit accuses PG&E of neglience and claims (...) that the fire was the direct result of PG&E's 'ultrahazardeous activities in operating Line 132'" (San Bruno Patch)
- "Jessica's death has devastated the Morales family, and it was entirely preventable if PG&E had done its job" (San Bruno Patch)
- "They [PG&E] get their cake and eat it too" (The New York Times)
- "PG&E told the state utilites commission in 2007 that the section had an unacceptably high risk of failure. Those repairs have not been made" (The New York Times)
- "Consumer-safety advocates have raised questions about whether the pipeline's age may have played a role in its failure. Pipeline safety has not been a primary focus for state regulators" (The New York Times)
- "NTSB chairman calls [PG&E]: ' a reckless enterprise' that was 'obviously an exercise for their financial situation, not safety'" (TURN)
- "You are dealing with a pipe that has been in the ground for more than 50 years, it has never had an internal inspection tool in it, has incomplete records, and they now artificially spike the line?" (TURN)
- "In San Bruno, once again customers did the right thing and called PG&E when they smelled gas. Had PG&E done the right thing in response, the explosion might not have occurred" (TURN)
- "Our lives is literally in PG&E's hands, and that's scary" (TURN)

# Profit focus

- "...when PG&E stumbles, the customers largely foot the bill" (The New York Times)
- "PG&E's guaranteed profits have come under scrutiny following the Sept 9 explosion of a company pipeline in San Bruno" (The New York Times)
- "As investigators examine why the rupture occurred, PG&E's ratepayers – including those returning to the badly damaged neighborhood – are most likely to bear much of the cost" (The New Yor Times)
- "They get their cake and eat it too" (The New York Times)
- "PG&E is 'too big to fail'" (The New York Times)
- "Consumers were already paying for repairs that were to have been performed on a segment of the pipeline a few miles from the section that exploded" (The New York Times)
- "There will only be an incentive to maintain the system properly when the utility knows it may face the wrath of its shareholders if there is system failure" (The New York Times)
- "Has PG&E redirected money from repairs to management bonuses, including \$5 million to replace a section of Line 132 only 2.8 miles from the explosion?" (TURN)

### Claim of secrecy and insincerity

- "Peter A. Darbee, the company's CEO, said in an interview that he was not prepared to discuss the explosion's financial impact on PG&E" (The New York Times)
- "The company was already having a rough year. (...) 'I think that mistrust of PG&E is at an all-time high'" (The New York Times)
- "It is simply not enough to find out why the pipeline sprung a leak that ignited into a fireball. We want to know why inspections of that pipeline never identified the risk of a leak, and whether safety is the priority at PG&E" (TURN)
- "Why has PG&E failed to complete pipeline repairs that customers were charged for?" (TURN)
- "PG&E officials are not telling the truth when they say that the Federal Government is preventing them from releasing important documents" (TURN)
- "PG&E's culture of concealment is so deeply rooted that it's now putting false words into the mouths of federal investigators" (TURN)
- "Florez noted that the San Bruno tragedy is more than a month old, and PG&E continues to keep the citizens of California in the dark" (TURN)

Claim of biased relationship Demand for increased regulation

- "The relationship between the utility, its regulators and customers is complex" (The New York Times)
- "TURN especially wants to know why the CPUC has been asleep at the wheel when it comes to its oversight of PG&E" (TURN)
- "We have long worried that CPUC has been unable to fulfill its duty to vigorously defend the public interest because it is not independent enough from the companies it regulates" (TURN)
- "If customers can't depend on PG&E to respond quickly and effectively to potential safety problems, it falls on the CPUC to step up to protect Californians and hold PG&E responsible" (TURN)

# Financial confidence

- "Moody's Investors Service said Monday its credit ratings for PG&E Corp.
   (...) are not affected by the deadly gas pipe explosion in California"
   (Yahoo! Finance)
- "Several other analyst suggest buying PG&E shares in the tragedy aftermath, arguing that it would be a surprise if PG&E did not have adequate insurance to cover the damages and liabilities" (The Street)
- "In any event the utility market expert compared the \$1 billion in loss in market value to what they estimated would be a potential liability of less than \$200 million" (The Street)
- "It looks like the numbers for the quarter were pretty good and that is why the stock is up a little bit" (Bloomberg)
- "The stock which has 13 buy and six hold recommendations, has risen 9 percent this year" (Bloomberg)
- "The estimated expenses from the incident 'appear to be well below investors' worst fears'" (Bloomberg)
- "Standard & Poor's Rating Services said today (Dec 15, 2010) that it resolved its negative CreditWatch listing for PG&E Corp. The outlook is stable" (Reuters)
- "The resolution of the CreditWatch listing reflects greater certainty around the cost estimates relating to the accident, as well as our expectation that these costs will be manageable for the company" (Reuters)
- "PG&E's business risk has increased as a result of the San Bruno incident, but remains in the "excellent" category" (Reuters)
- "The stable outlook incorporates our (S&P's) expectation that the firm will maintain its financial profile and coverage metrics throughout the resolution of claims for the San Bruno accident" (Reuters)

Concern for increased regulation and reputational implications (investors)

- "...the explosion could lead to increased scrutiny of the company by regulators" (Yahoo! Finance)
- "Moody said it's more concerned about the potential impact the explosion may have on PG&E's relationship with CPUC and other key constituents in California" (Yahoo! Finance)
- "... we observe that the San Bruno explosion represents yet another piece of negative news involving the company in its territory during the past year" (Yahoo! Finance)
- "Standard & Poor's on Friday placed its rating on the company on review for possible downgrade" (Yahoo! Finance)
- (S&P): "The CreditWatch listing reflected uncertainty regarding the ultimate cost of the San Bruno blast, the potential reputational damage to the utility, and the possibility that the incident could weaken the utility's constructive regulatory support" (Reuters)

### Uncertainty among investors

- "Shares of PG&E slipped 2 cents to \$44.19 in afternoon trading" (Yahoo! Finance)
- "PG&E shares were among the market's biggest losers on Friday after a company pipeline exploded in the neighborhood of San Bruno" (The Street)
- "On Monday morning, PG&E shares opened down, though only marginally, as the utility was hit with another ratings downgrade, regulator scrutiny increased, and more details emerged about the pipeline that exploded" (The Street)
- "PG&E shares lost more than 8% on Friday... In terms of market cap of PG&E, more than \$1.2 billion was shaved off by investors as a result of the explosion" (The Street)
- "... the analyst ranks are split over whether the pipeline explosion is reason to shift a view on shares of PG&E" (The Street)
- "A negative outlook on PG&E from Morgan Stanley, with its analyst cutting PG&E from a buy to a hold, and citing the uncertainty caused by the pipeline explosion" (The Street)