

It Takes an Audience

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“Some have argued that refiners’ recent high income levels are excessive. However, oil refining is a highly capital-intensive industry needing large profits to compensate companies for huge investments. Thus, it is important to put these profits in the context of returns on investment (ROI) compared with other investment opportunities.”

People, 9-17-07

“First the bad news: Halle Berry won’t be fitting into the tight pair of Mickey Mouse jeans she has owned since she was 15 years old – pants she regularly tries on to test if she’s movie-star trim – for a while. The good news is, she couldn’t be happier. On Sept. 4, Berry gave a statement...that confirmed months of speculation – she is three months pregnant.”

Which is more interesting to...

- ...My college-age daughters?
 - ...An oil-company executive at work?
 - ...A college student researching oil prices?
 - ...An oil-company executive on vacation?
 - ...An investment analyst...
 - ...Who specializes in computer stocks?
 - ...Who specializes in oil company stocks?
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Interest and audience

- Interest depends on psychosocial-professional characteristics of audience
 - Who they are
 - What they do
 - Interest is circumstantial
 - External influences
 - Internal changes
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Elements of education

- To educate, communicate
 - To communicate, grab attention
 - To grab attention, engage interest
 - To engage interest...
 - **KNOW THE AUDIENCE**
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Does energy education matter?

- So public will understand the industry?
 - So public will like the industry?
 - So public will appreciate what the industry does?
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Why energy education matters

- Politics!
 - Why should anyone care about energy politics?
 - Political mistakes with energy are very expensive
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US energy politics: the formula

Energy happiness =
conservation +
alternative energy

Equivalencies

- ❑ Conservation comes from price or tax increases
 - ❑ Alternative energy is expensive
 - ❑ The formula, restated:
Energy happiness = ever-rising
consumer burden
 - ❑ Is that really energy happiness?
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Why this confusion?

- Misunderstanding of scale, costs
 - Wishful ambitions
 - Energy independence
 - Zero-consequence environmental goals
 - Revenge against oil companies
 - Overselling of alternatives
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Responding to confusion

- Educate the public
 - Supposition: present facts, public will make the right choices
 - What if public doesn't want to be educated?
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The education problem

□ The message

- Complex
- Technical
- Quantitative
- Challenging

□ The audience

- Favors simplicity
 - Nontechnical
 - Numerophobic
 - Unmotivated
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The communications problem

□ Industry

- Big
- Technical
- Quantitative
- Motivated by profit
- Oriented to supply
- Wary of business cycles
- Favors education vs. communication

□ Audience

- Suspicious of size
 - Nontechnical
 - Numerophobic
 - Resentful of profit
 - Oriented to price
 - Cycles between anger, ambivalence
 - Shuns education, mistrusts industry
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The engagement problem

- Industry's supply orientation
 - Expresses technically
 - Responds to distrust with facts
 - Attention hurts
 - Lapsed attention a relief

- Audience's price orientation
 - Nontechnical, distrustful
 - Misunderstands and rejects facts
 - Anger at high prices
 - Attention lapses when prices low
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Attention-wary communications

- Industry seeks investors' attention
 - Industry seeks politicians' attention
 - Industry shuns public attention
 - Industry gets unwanted public attention when gasoline prices rise
 - Most attention goes to ads that say, "We're not an oil company"
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One triumph, two near misses

- Deepwater royalty relief (1995)
 - Jobs, federal revenue, domestic production
 - ANWR leasing (2002)
 - Jobs (Teamsters support)
 - Gas leasing off East Coast (2005-06)
 - Consumer recognition of supply-price link
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Was the resonant message...

- Industry's technology? No.
 - Reducing import dependency? Maybe.
 - The industry's environmental progress? No.
 - Taxpayer, consumer economic interests? Yes.
 - Tax revenue, jobs, prices.
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New communications approach

- Create a receptive audience
 - Engage audience by appealing to shared interest: price (now)
 - Become customers' biggest advocate
 - Oppose market intrusions that raise price (taxes)
 - Support policies that help the market lower prices (supply)
 - Make customer interest THE priority
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What about technology?

- What about the audience?
 - If it's not about price (when prices are high)...
 - Or jobs (when jobs are scarce)...
 - Or tax revenue (when the budget's in deficit)...
 - They'd rather read People.
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