

# The case of BP

A real-life case of how Social Networking changes the way we do business.



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## BP failed to Listen

**Acting like the good old days are still here does not work anymore**

If the oil spill in the Gulf of Mexico had happened some months ago, it would not have been such a PR disaster for BP.

Why? Social media!

In today's world there are new rules on how to deal with your customers or with the public at large. It will be difficult for BP to even survive as a company. People already pass by the BP station when they need gas?

So what were BP's mistakes and how can we learn from this?

First, BP gave incorrect information. They said that the amount of oil gushing from the well was much less than in reality. Normally they would have been able to get away with this, because experts that had a different estimate would easily have been silenced. Not anymore! The counter-estimates were massively broadcasted over the social networks and easily picked up by the news media.

## **Lesson 1: Be transparent - the truth comes out real fast.**

Secondly BP did not listen to the public. If they had looked at just the Tweet Stream about the oil spill, they would have noticed much earlier how big the outrage was. It took a long time for BP's executive management to realize this.

## **Lesson 2: Listen to the customers and act on their concerns**

The CEO Tony Hayworth did not even visit the area until a month after the disaster, so people concluded he did not care. He thought he was managing the crisis and belonged behind his desk, but he should have realized that he is the face of the company and therefore he should be out there showing compassion.

## **Lesson 3: CEOs need to be in the eye of the public**

BP stated on multiple occasions that they were prepared to pay for the cleanup. However, the amount of red tape people had to wade through to get the permission and the funds for their cleanup operation was enormous. It took weeks to get BP's approval. People that lived in communities that would soon be affected by the spill, were making plans and were sharing these through social media.

## **Lesson 4: Companies better be prepared to respond very fast.**

BP launched a \$50 million PR campaign, that backfired in multiple ways. First of all it came way too late; companies don't have the time anymore to use their regular PR methods and plan an ad campaign in times of disaster. Second, the money spent was highlighted by the social networks and became part of the outrage; BP should have given this money to the fishermen, who's livelihood was taken away.

## Lesson 5: Traditional PR methods don't work in a viral Internet era.

Following legal advise BP placed a gag-order on the staff. Bad mistake! Not saying anything used to work and keep the company safe from saying the wrong things, which could be used against them in court. But in this case, the furious crowd brought down the stock price by more than 30% costing the shareholders over \$30 billion so far and brought down the revenue as well. People are ashamed to be seen at a BP gas station and the US government is pulling all contracts with BP for the military. All this brings a real chance that even a conglomerate like BP can be brought to it's knees and possibly go under due to the reaction of the masses.

## Lesson 6: Legal advise needs to be updated with the 'laws' of social networking

# What can companies do to avoid this?

The only way out to avoid this is for companies to really **embrace social media** to connect more closely with their customers or as in the case of BP the public at large. Companies need to follow online conversations across social platforms such as Twitter and FaceBook, as well as on blogs and news sites, and direct what they hear to the appropriate department for follow-up. This would allow them to respond in real-time.

But that would be an impossible task. There is simply too much to listen to, happening everywhere, all at once. Any single point which is presumed to do the listening for an entire organization – whether an individual or a department – will simply be overwhelmed, drowning in the stream of data.

That is why companies should make listening and transparency part of the corporate values and their standard operating procedures. This entails involving the staff at all levels and really showing by their actions they have listened. That's where companies will find great success in the future and avoid PR disasters.

By appointing a **Chief Listening Officer** to be those ears and the voice of the company, they bring that feeling and spirit inside and change the way the company works from the core out. Therefore this has to be a Board Level position, responsible for bringing everyone – customers, employees, investors and other stakeholders – together so that everyone is in agreement and standing behind the same core values.

Sure, customers might grumble, but they also praise for a job well done. That positive relationship should be honored – and reinforced. As companies reinforce the positive, they create a virtuous cycle of interactions, which becomes terrifically difficult to disrupt. When that's gone on long enough, and broadly enough, the companies have effectively created their own army – in the post-modern, guerilla sense of the word – who will go out there and fight for them and their brand when the haters and trolls and chaos-makers bear down upon them. These people feel connected to the company, and will connect to one another because of the passion they share around the products and the business.

## How would this have changed things for BP?

If BP had have embraced Social Networking from the start, much of the PR disaster could have been avoided. After all, this ecological

disaster is something that could have happened to any of the big oil companies; singling out BP as the villain would not have happened, if they would have handled their PR better.

If BP had been transparent and upfront about the amount of oil being spilled and the potential impact, they would not have lost their credibility and much of the PR damage could have been avoided.

This means that BP would have had to use all available channels to broadcast their message, both online and through the traditional media; not a \$50 million ad campaign a month after the disaster, but simple tweets and videos through Twitter and YouTube.

Listening to the concerns of the local people would have been a great way to learn what kind of resources were required to relieve local issues. Small amounts of money could have done wonders and created raving fans instead of angry fishermen.

Top-executives cannot hide any longer. They have to deal with their customers on a daily basis. CEO Tony Hayward would have picked up signals early, and would have been on the first plane to Louisiana; showing his concern and not trying to downplay the catastrophe.

An active Listening Policy in place would have created an early warning system and a fast track to answering concerns. Hearing from the people on the ground and getting this message straight to the top, cuts through a lot of red tape and gets things done right away.

BP's lawyers and PR consultants should have been properly trained to respond adequately and to deal with the enormous stream of information. They should have involved the whole company; not to randomly throw out messages, but to have a controlled, but fast answer.

