



Public perception challenges are critical for oil & gas industry

For decades, the U.S. oil and natural gas industry has lamented the industry's public perception and the lingering lack of trust between the public and industry. Despite periodic calls for more industry openness as well as a number of high-profile campaigns to inform the public, Americans seem less mindful than ever of how important oil and natural gas are in their everyday lives, and appear increasingly skeptical toward companies that find, produce, and deliver the oil and gas that make modern living possible.

In this era of technological disruption, many industries are fighting to stay relevant. Oil and gas are facing a time when energy abundance is creating a permanent oversupply that not only keeps prices low but also allows consumers to make new choices about their energy usage. In this environment, public perception of the industry is ever more critical.

Recent consumer research has gauged how the public and industry think about a number of key energy issues. The study finds that Americans value the industry for its expertise and its technological prowess, but they remain unconvinced that oil and gas companies are trustworthy on important issues such as protecting the environment. Most importantly, Americans recognize that the industry efficiently delivers products they need, but, increasingly, people would prefer other sources. People base how much they value oil and gas largely on necessity, a weak attribution for long-term appreciation and support. Consumers are waiting for the next best thing when it comes to their energy. In the meantime, they will accept oil and gas.

Public angst demands right response. These perceptions color every opinion that the public has of industry companies – from their reputation as corporate citizens to their attractiveness as workplaces. People's perceptions are created from a number of sources where they may see repeated information that may or may not be accurate. Social media, mainstream media, and other forms of real-time communication trench

people's realities, regardless of these perceptions' accuracy or distortion. When industry responds to criticism with technical answers alone, many people with visceral concerns view industry as treating corporate social responsibility as an add-on to their business and not a driver.

Research reveals that consumer choices were becoming more deliberate and value-driven. Consumer's definitions of wealth broadened over the last decade to include what constituted responsibility, leadership, quality, and corporate kindness and empathy. People will support organizations, industries, and companies based on these criteria. Knowing these trends provides an opportunity for our industry.

There is a very real opportunity to create a stronger, more effective connection with the American people that recognizes their values and concerns while improving their understanding of the critical role that oil and gas play in American's everyday lives. This type of connection is more than an opportunity. Earning the trust of the public will become an absolute necessity to protect and enhance the many key elements of business success – from recruiting and retaining talent to access to capital, regulatory stability, tax fairness, and more.

Communicating industry's responsibility. Some would say that the purpose of business is to make money and deliver investor value and, in order to balance what was taken out of society in the form of profits, we should pursue a program of good works and philanthropy that is distinct from the business we actually are doing – a program of "public relations". However, a majority of oil and gas drilling and production companies see responsibility not as an add-on, afterthought or public relations gloss. These companies understand that responsibility comes through what we do and the way we do it, not by adding some extra activity. Those in the oil and natural gas industry fulfill their responsibility by supplying goods and services at prices people can afford and in manners that make the activity sustainable.

The complexity of the process from the beginning to first oil production is remarkable. Companies manage not only the geology and engineering, the construction of oil development, and market access, but also landowner relations, environmental impact, workforce development, political challenges, and more. Those issues are not add-ons for the people developing these resources. They are not questions of public relations dressed up in language of good works and philanthropy. They are integral elements managed to make projects viable. Responsibility is not additional; it is absolutely integral.

People want to know that the industry cares. We should continue to address public concerns about important economic and environmental issues with accurate, fact-based information that separates fact from fiction, reality from myth, and proven practices from hyperbole. However, we should augment that approach to include information about how companies already care about people's needs and concerns. We also should communicate and illustrate how responsibility is an integral part of industry's considerations and decisions.

Technical answers are often lost on the public and come across as "out of touch". Combining technical answers with explanations of how integral responsibility is to industry actions provides transparency, empathizes with people's concerns, shows leadership in addressing those concerns, and underscores the considerable extent to which industry's and society's values align, all of which helps foster public trust, loyalty, commitment, and support. **KVO**

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