Deepwater Horizon Reputational Crisis 2.0

Greenpeace's Online Spoof Competition Against BP

TEACHING NOTES

During the case discussion there are several key topics and learnings to be touched upon. The rise of online spoofs and the impact they have on a corporate brand and its reputation is a rather unexplored area within the management field. A master thesis by Eichinger and Gudacker (2016) is one of the few researched conducted within the area. This makes the case particularly relevant as it represents a broad array of insights, not only relevant to the brand of BP, but to all corporate organizations finding themselves in a fast-paced environment where the web and new digital tools make it difficult to control how their brand is being used and perceived. The key learnings derived from this case underline the essence of aligning the corporate brand identity and reputation, managing different stakeholders as well as being aware of the online brand destruction effect. At the end of this chapter the key learnings are summarized in a table.

Corporate Brand Identity and Reputation

Corporate Brand Identity and Reputation Matrix (CBIRM) describes a corporate brand's identity as a collection of nine core elements (Urde & Greyser, 2016). The focus lies on the brand core that is embodied through corporation's core values and brand promise. In order for the brand identity to be coherent this core needs to steer both the internal (mission & vision, culture, competence) and the external components (value proposition, relationships, position) of identity presented in the matrix. Each element of identity is further linked to a reputation element outlining in detail the relationship between brand orientation and market orientation.

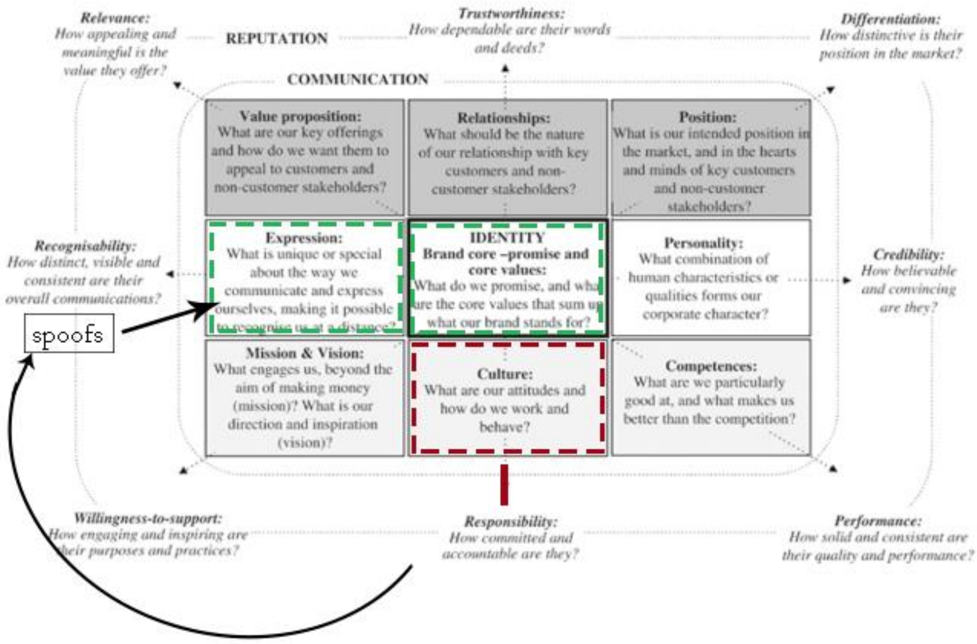

Figure 1. The CBIRM and the appearance of spoofs

As described in the case, BP went through an extensive rebranding process in 2000 where several aspects of the brand core were alternated. The organization managed to redefine and present a new identity with focus on more environmentally friendly core values and identity. The change was supported by changes in the corporation's visual expression through the introduction of a new marketing name, logotype and slogan which all illustrated BP's brand identity of an actor providing alternative energy options in the often negatively perceived oil industry. The new communication approach aimed at distinguishing the corporation and making it recognizable within the industry, something that is illustrated by the *expression - recognisability* elements in the CBIRM (Urde & Greyser, 2016). Looking at the CBIRM, it can be noted that expression, defined as the visual manifestation of the brand, acts as a bridge between the internal and external components of the identity (Urde & Greyser, 2016). The changes in the brand identity were well-communicated and had an overall positive effect on BP's brand image in the eyes of general public. The rebranding process helped BP to achieve its intended position of a more environmentally aware actor and differentiate the corporation from the competition. The changes further led to a strong reputation in the eyes of external stakeholders.

The occurrence of the oil spill implies that the core values of safety and respect (BP, 2017) were not lived up to internally. This was evident since the investigation of the accident indicated that the safety regulations had been neglected. Further other human errors were found which implies that the oil spill was caused by an internal actor. One might say that the values were nice on the manager's paper but not vertically integrated in the organization. In other words, BP did not practice what they preached, implying a gap between the *identity* and *culture* (how we work) as illustrated in the CBIRM (Urde & Greyser, 2016). This is supported by Hatch and Schultz's (2001) argument of a vision-culture gap that occurs when management's vision, in the case BP being a safe and environmentally respectful actor, is not implemented by the organization. Kotter (1995) agrees by arguing that an organization is fragile until the new practices sit deep in organization's culture. The misalignment in BP's identity further had a negative impact on corporation's reputation. Roper and Fill (2012) argue that a reputational crisis is likely to occur when a gap between corporation's internal identity and external image occurs. This is evident in BP's case since the oil spill unveiled a mismatch between the internal culture (how do we work) and external perception of corporation's image as a *responsible* actor. This gap therefore established initiative to create the spoofs that led to a reputational crisis.

The spoofs, defined as illustrations imitating something (i.e. a brand) by altering or exaggerating its characteristic (Eichinger & Gudacker, 2016) can be perceived as an expression of the BP brand. In the case of BP the spoofs were created externally but closely connected to the internal brand core since they were built on the logotype. This made it easy for the spectator to associate them with BP. As the brand's green "Helios" logotype was created to position BP as a more environmentally friendly energy option, the spoofs remaking the logotype can be perceived as a direct attack on the essence of the brand. This is an important notion since Greyser (2009) highlights that a crisis affecting the brand core should be perceived highly urgent.

The Power of Different Stakeholders

Having an authentic brand image has an effect on how stakeholders perceive a crisis and how they will react to various response strategies. A crucial part of corporate branding concerns dealing with multiple stakeholders and their perception of the brand's image. Roper and Fill (2012) define stakeholders as people with an interest or concern in the business and authenticity as a survival kit for a brand's image.

In the case of BP, it is important to identify and categorize the type of affected stakeholders. If this had been done properly by the corporation, the result might have become different. If the powerful stakeholder Greenpeace would have been addressed at an earlier stage, their will to influence other stakeholders could have been minimized. The Mendelow Matrix (Kumar, 2015) can be used to determine the potential influence of the stakeholder groups of an organization. It looks at the stakeholders from two dimensions. Firstly it takes into consideration the level of interest the stakeholder group has in the organization and secondly it considers the level of power or influence they have over the organization. The matrix highlights the importance of mapping out key external stakeholders and analyzing how they should be managed. This is for the corporation to have a better chance of decreasing the damage caused by a crisis (Kumar, 2015).

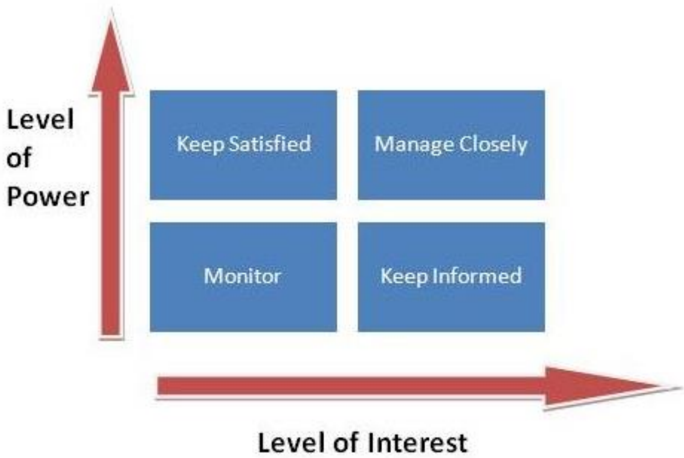

Figure 2. Mendelow Matrix

1. Low power, low interest - a stakeholder in the lower left box is considered minimal effort and of little focus to the organization as they are both level of interest and low power/influence.

2. Low power, high interest - the corporation should keep these stakeholders informed as they have a high level of interest but do not have any power. These stakeholders should be kept informed in order to prevent them from joining forces with other stakeholders and in that way increasing their power.

3. High power, low interest - By keeping these satisfied, the corporation will prevent them from gaining more interest and shifting into box number 4.

4. High power, high interest - “key players” with both high power and high interest. A very strong group who can oppose the organization effectively and drive change. It is up to the organization to invest in the relationship with these stakeholders by communicating to them and consulting with them to gain support. In the case, Greenpeace can be considered to be one of these stakeholders, an antagonistic stakeholder (Roper & Fill, 2012) that not only oppose the organization on the issue but also become of high importance caused by having power and influence in the matter (Roper & Fil, 2012). Greenpeace demonstrated their power by influencing another stakeholder group - individuals- to take action against BP. These individuals spreading spoofs online may be categorized into low power but high interest, problematic stakeholders, as they oppose the organization on the issue but still have little power to influence. The key learning in this is how harmful influential stakeholders can be when using their influence to organize and influence other stakeholder groups.

According to Roper and Fill (2012), four key communication strategies can be identified to meet the different stakeholders.

- Silence strategy - the organization seeks to buy time, restrict the development of the issue and remain silent.
- Accommodation strategy - conform to the changes in the environment and accommodate the issue through internal adaptation.
- Reasoning strategy - encourage discussion, driving an open two-way communication
- Advocacy strategy - change public opinion and the way stakeholders perceive the issue, an externally driven change.

In the case of BP, it can be seen that they used two different strategies to the two involved stakeholders. The silence strategy was used on the antagonistic stakeholder Greenpeace while an advocacy strategy was applied on the problematic stakeholder, the general public.

Online Brand Destruction Effect

The spread of online spoofs can be seen as information that help to from impressions of the corporation. This information processing is divided into three levels, primary level - own personal experience, secondary level - friends and colleagues and tertiary level - mass media information (Roper & Fill 2012). The rise of the web and social media creates an additional level where the speed of information is accelerated on an engaging platform making it possible for issues to go global in a few seconds (Eichinger & Gudacker, 2016) and making it impossible for corporations to control the information being spread. Consequently, Internet accelerates critical content and online spoofs provide corporate crisis with a new dimension. Bokor (2014) describes the effect of online brand destruction and how consumers use the online sphere as a platform to gain revenge on companies. This opportunity of sharing and discussing online content represents how different stakeholders attack a brand with critical communication and can especially be seen when a brand is in a reputational crisis.

The case of BP and the online spoof crisis indicates the harmfulness of negative user-generated parodies towards the targeted brand. This is shown in the case when Greenpeace launched the logotype competition, creating a viral platform for external stakeholders to critically discuss the brand outside the control of BP. The key learning is that even though brand vandalism is not a new phenomenon, due to the new level of information processing through social media and the web, an online spoof can cause significant harm towards a brand's identity and reputation. This because it affects stakeholders' image of the brand and makes it difficult for the organization to control the viral spread.

The focus in this case lies in understanding how an online spoof can create a reputational damage to a brand. Evaluating why the spoofs appeared by looking at the brand's identity and its relationship to brand reputation elements, determining the power of different stakeholders as well as assessing the seriousness of online brand destruction to create an action plan are key learnings of this case. Table A demonstrates an overview of these learnings.

Key Learning Objectives		
Understand	… why the spoofs appeared	Here: Use of theory Corporate Brand Identity & Reputation Matrix (Urde & Greyser, 2016)
Evaluate	… how the situation should be handled	Here: Use of theory Mendelow Matrix (Kumar, 2015) Power of stakeholders
Determine	… seriousness of crisis	Here: Negative user-generated parody
Create	… an action plan	Here: Advocacy vs. Silent strategy

Table 1. Key learning objectives

Teaching Plan

This teaching plan aims at illustrating how the case will be presented to the class in an effective manner so that the learning objectives presented above can be reached. The plan contains a short summary of the key points of the case as well as presenting some assisting questions that the case instructor can use to lead the discussion. The discussion leader is further provided with some suggestions regarding teaching, time management and the use of the white board.

Case Synopsis

In May 2010 Greenpeace launched a campaign against oil corporation BP where they encouraged general public to create their own versions, spoofs, of the corporation logo. The campaign was launched in order to raise awareness around the corporation's irresponsible drilling of oil that resulted in the largest accidental oil spill and the biggest environmental catastrophe in the US history. One of the main reasons behind the spoof crisis can be analyzed to be the contradiction between BP's environmentally friendly brand reputation and its unsustainable internal actions. Greenpeace's competition resulted in over 2000 spoofs illustrating the BP logotype in different contexts connected to the oil disaster. The spoofs generated over 25 0000 votes in total and the winning spoofs were further spread out by Greenpeace. As the logotype is directly related to the core of the corporation's brand identity, it is clear that Greenpeace's campaign attacked the core identity and had serious effects on the BP's reputation. Due to the fast and effective spread that the Internet enables, it becomes difficult for BP to maintain control over its own brand.

Discussion Questions

Main Questions:

1. How should BP evaluate the seriousness of the spoof situation?
2. How should BP address and handle the spoofs?

Assisting Questions:

1. Does the spoof crisis affect the brand essence? How/why?
2. Is the spoof crisis caused by an internal or external actor?
3. Does the spoof crisis affect all of BP's business or part of it? How?
4. How did BP's rebranding of the identity and communicating have an effect on the crisis?
5. How should Greenpeace be handled?
6. Are their other actors that needs to be addressed?

Teaching Suggestions

The case should be presented with the help of PowerPoint. It is further suggested that a PowerPoint slide with pictures of examples of the spoofs is made visible throughout the case in order to help the class in analyzing the seriousness of the situation. Further the new logotype and core values, presented in the rebranding process, should be presented in the PowerPoint for the class to easier grasp the gap.

Time Plan

In order to ensure that all the material is covered and give an estimation of how much time is needed a time plan is provided for the instructor. However, this should only be used as a reference guide as it only designates an estimation of how much time each section should take. Therefore it is not recommended to follow it precisely as every case discussion varies and needs to be contextually evaluated. The diagram provided below shows an estimated time plan based on a time basis. However, it is recommended that the discussion leader individually evaluate appropriate time slots as one discussion one day is not like any other. The discussion leader should also prepare beforehand and steer the discussion in order to not derive focus of the key learnings of the case.

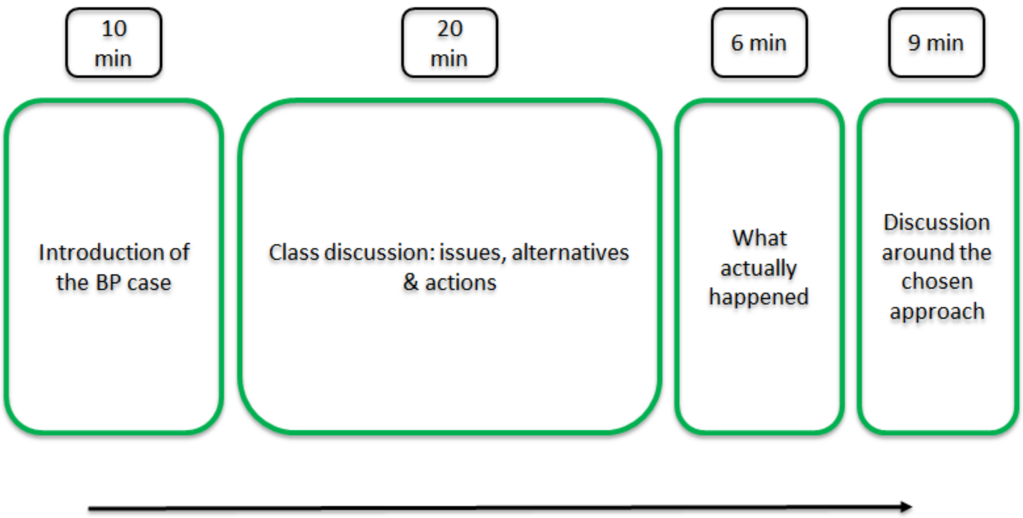

Figure 2. Time plan

Introduction (10 minutes)

To engage and raise interest among the students, this part concerns in setting the scene and providing the background information needed to encourage an in-depth discussion around the two managerial questions.

Discussion (20 minutes)

The discussion leader begins by clarifying the students' role in the discussion, in this case BP's executive team. After this, the students' will be provided with the managerial questions that function as guidance in the following discussion. When it comes to presenting the two managerial questions the instructor is advised to start with managerial question number 1. After letting the class to discuss the seriousness of the situation for a while, the instructor is advised to present the second managerial question. In order to further steer the discussion, if needed, assisting questions presented above can be used.

At this stage, the students should have enough information to be able to address and analyze the problem, if questions were to arise students should be able to ask them before and during the discussion. To aid the students', the discussion leader will ask the group to define issues, alternatives and possible actions. An imaginable alternative of how this board plan could look like is presented below. It is important that the discussion leader makes sure that the discussion continuously is moved forward. The discussion leader is further advised to actively ask follow up questions in order to keep the discussion relevant and going. However it is important to point out that the discussion leader should provide guidance but not influence the decisions. It is important make sure that the focus remains on the spoof incident and not the oil spill. Before moving to the next stage of the case, the discussion leader should summarize the points made by the students to conclude what actions should be made by BP.

What actually happened (6 minutes)

In the third part of the case, the students will be provided with information on what BP did in the real case and the outcome of this approach.

Final discussion (9 minutes)

As fourth and final part, the participants will be given the opportunity to discuss BP's chosen approach and the potential risks. This would be raising the question of whether or not the students think it is acceptable of a corporation to censor the search results on Google.

Board Plan

Based on practical experience, it is important to organize the main discussion using a pre-determined structure. Therefore a simple board structure is provided. The instructor is therefor encouraged to organize and fill out this board with comments during the case discussion. The board is structured through three sections: Issues, Alternatives and Actions. Under the section Issues all comments regarding key issues of the case are to be put. Those comments raising reconciled options go under Alternatives and all decisions the audience encourages management to act upon are to be put in the Action section. Further, the instructor is encouraged to prepare a filled out board structure before-hand in order to more easily steer the case discussion as well as to organize the comments. Below an example of a potential structure of a board plan is provided.

Board Plan		
Issues	**Alternatives**	**Actions**
• Just launched re-branding strategy → changing "expression" • Online Spread → loss of control • Attacking essence of brand • Greenpeace → power + influential (antagonistic stakeholder) • Comes from an external source (but initial accident internal) • Public right to use parody	Communication • Active vs. Passive (Advocacy vs. Silent strategy) Organization (start within) • Internal investigation • Revise core values • "Walk the talk" • Change corporate culture • Workshops	Evaluate • Seriousness of situation Speed • Decide fast what to do Clarity • Clear strategy • Get everyone onboard Approach Stakeholders • Authenticity • Honesty • "Green reminder" Bridge • Identity + Culture

Tabel 2. Board plan

Epilogue

The rise of online spoofs calls for amplification within reputation management. Understanding why online spoofs appear as well as determining how the situation should be handled enables corporations to better understand the seriousness of the online brand destruction effect and how they can create a concrete action plan to cope with this. By using the *Corporate Brand Identity and Reputation Mix* in combination with the *Mendelow Matrix*, corporations are able to establish if the online spoofs are affecting the essence of the brand as well as determine the power of the stakeholders involved. In this case, BP was very slow at first when it came to reacting toward the general public.

BP eventually decided to use an advocacy strategy to control keywords on Google and Yahoo and steer people's attention away from the spoofs, which the Greenpeace logo competition had initiated, toward information published by BP instead. This management decision consequently pushed the online spoofs further down in the search engine and eventually the spoofs disappeared from Google. Even ~~though BP actively chose to approach the public, they used a silent strategy toward~~

Greenpeace as they considered the organization to be a too powerful and influential stakeholder.

To summarize, BP's handling of the situation possibly illustrates a confusion and absence of a clear strategy, which calls for future exploration. In addition, removing online content seems to be an increasing strategy not only used by corporations. Therefore, this case can be used and applied not only in corporate brand and reputation management teaching but within a variety of domains, whether it concerns a corporate brand, the monarchy in Spain or the recent presidential election in the US.

Reflection

The case was written as a part of the master program of international marketing and brand management and the course of Corporate Brand Management and Reputation. The group was assigned to choose real life managerial decision, select relevant theoretical background and write an academic case similar to the ones discussed during the course.

When starting to write, the group soon picked up interest in the topic of reputational crises. Several options were discussed before the group decided to pursue with the case of BP. The group believes that one reason behind the attractiveness of crisis management is that the initial status quo is challenged by one specific event, this creates an intriguing starting point for discussion and managerial decision making. What was further engaging in the BP case was that the spoof crisis can be perceived as an aftermath of the initial oil spill.

What did you learn?

The BP case provided the group with valuable insight to a real-life example of a reputational crisis. Throughout the process it was thought-provoking to reflect over the different connections between theory and practice and to see that the learned theory was not always evident in the BP crisis. We thought it was interesting to see how big the crisis became despite the fact that BP had a good reputation after its rebranding process. According to the averaging principle (Roper & Fill, 2012) the general public is more likely to overlook mistakes if they have a positive feeling towards the brand prior the incident. However the case of BP shows the opposite. It seems that many of the stakeholders experienced increased disappointment due to the fact that they had a positive image about the brand before the oil spill. This disappointment further created the platform for the spoofs. Of course it is important to bear in mind that the oil spill was a serious accident with severe effects to the ecosystem and even economy which might have made it harder for the stakeholders to forgive the irresponsible actions. Another factor that might have had an impact is that BP through its actions sat its core values in jeopardy and created a major contrast between core and actions.

Another interesting aspect was to notice was that BP seemed not to take any major actions when the spoofs first started to appear. Creating presence on social media, reporting through website and later on managing Google search results are examples of the actions taken, however any signs of major actions or responses were not found. This raises the question if BP did not perceive the spoof crisis to be severe enough or if the corporation was not prepared to any additional resistance after already taking responsibility for the initial oil spill.

How did you have to change perspective?

Writing a case based on a real life managerial situation has given the group invaluable insights to both theory and practice. We had the opportunity to see how the theory learned in class can be applied into real managerial decisions and be used in practice. Further it has shown us, as mentioned before, how the theories found from the book do not always appear accordingly in the business world. Overall the group found case writing stimulating and fun, however changing the perspective from student to case writer was sometimes perceived challenging. Making sure that the reader would be provided with all the relevant background information in the beginning of the case was one of the challenges we experienced when taking the role of the writer. We further thought it was challenging to make sure that the managerial questions were addressed in the theories.

What were the challenges finding the relevant management decision and link it to theory?

One challenge that the group encountered when writing the case was to manage to keep the focus on the chosen spoof crises and not the initial oil spill. The fact that the spill created the background for the spoofs combined with the fact that most of the information available is connected to the spill made easy it easy to start talking about the initial accident without noticing. We further recognise that keeping the discussion away from the oil spill crisis management is something that needs to be taken into consideration when presenting the case for class.

Practice makes perfect

Since none of us has held a case presentation before, we decided to run through the case on a test group. This provided us with several valuable insights which gave us the possibility to clarify and adjust specific aspects that the test group perceived to be vague in the case. It further gave us the possibility to see whether or not the participants would come into the key learnings we have planned. The key issues, alternatives and actions recognized were written on the board and a picture of the result is attached below.

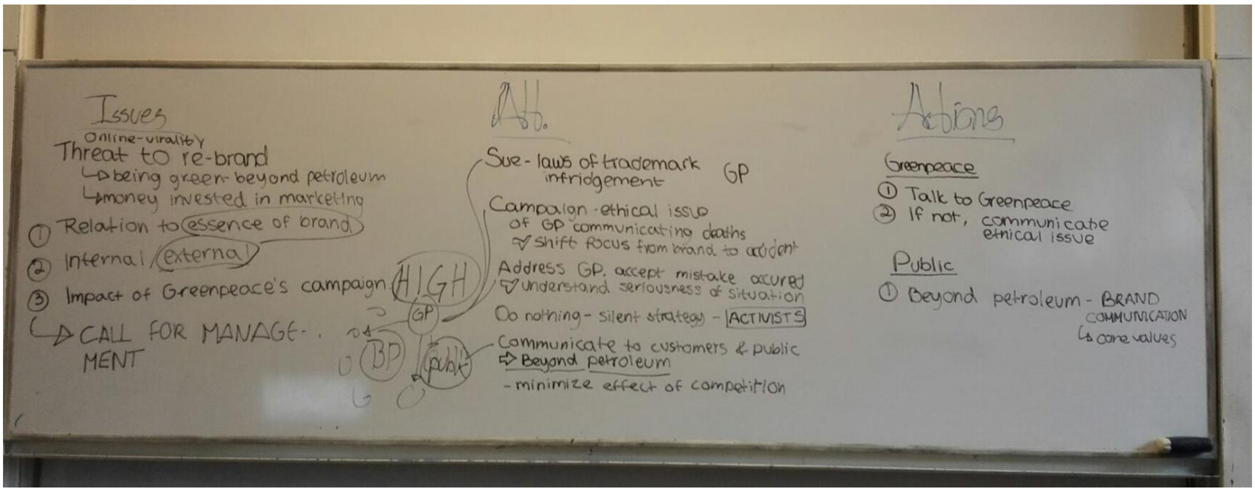

Figure 3. Issues, alternatives and actions as illustrated by the test group

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