

## OIL INDUSTRY INFORMATION COMMITTEE REPORT †

G. STEWART BROWN \*

Ever since the Oil Industry Information Committee was born some eight years ago, we have been looking for compelling and dramatic ways to tell you the OIIC story at these annual meetings. We have tried amateur playlets, movies, and exhibits. . . . Unfortunately the major part of the audience was made up of faithful members of OIIC. Another example of talking to ourselves.

So last year we tried more attractive bait to get you within these walls to hear the OIIC story. We persuaded the affable chairman of the API Public-Relations Committee, H. S. M. Burns, to tell you about the "Myth of Monopoly." Those who were here will testify to the success of that meeting.

This time we have resorted to a variation of the same strategy by asking Mr. Burns to preside over this meeting and to present our featured speaker, Governor Kennon.

I'm the pill you are obliged to swallow to get to the rest. We'll try to make it as sugar-coated as possible.

#### Past and Future

Inasmuch as we are proud of our program, we do want to tell you about (1) the principal highlights of OIIC activities this year and (2) our plans for next year. Finally we shall present an impartial outside evaluation of the program.

After the meeting you will be handed a printed booklet describing this year's activities, including significant results of Oil Progress Week. Just to cite my home state (California) as an example, we had 400 speeches, 520 film showings, 45 TV programs, and reams of newspaper publicity during Oil Progress Week. We believe we have had a terrific year, and we hope you will take time to look at our report. Furthermore, we are confident that 1955 will be even more outstanding under the leadership of Rod Huber, next year's national chairman of the Oil Industry Information Committee, who is here on the platform with us.

#### Accomplishments

Before we briefly summarize our accomplishments—and shortcomings—let us read again the principal passage from the objectives of the OIIC program. I quote:

To make clear how well the people of the United States are served by America's oil businesses and to gain support for conditions under which they can con-

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tinue to be privately managed, fully competitive and financially sound."

In trying to achieve this objective, how have we been doing?

We are proud to report that more than 25,000 oilmen worked on this assignment this year. They represent all segments of the industry. As a result of their efforts the story is beginning to penetrate to the "grass roots" level in thousands of American communities. And this is where we shall either gain or lose public support in any long-range effort to defend our industry against forces determined to weaken it.

Without repeating statistics which you can read in our printed report, here are a few facts which need to be underlined:

1. We have had a 40-per-cent increase in the number of volunteers engaged in our activities.
2. The school program has been greatly expanded and promises to be one of our most successful long-range programs.
3. Oilmen personally contacted, with industry material, approximately 85 per cent of the daily newspapers, 78 per cent of the radio stations, 90 per cent of the TV stations, and 38 per cent of the weekly newspapers. In passing, may I ask at what period prior to OIIC did oilmen—speaking for the industry, and not for their own companies—have such impressive contacts with our nation's mass media?
4. Considerable progress has been made in telling the industry story to employees. We have made some headway—but still not nearly enough—in getting participation from dealers and jobbers. This will be a major emphasis in 1955.
5. Our national advertising has had wider or more penetrating readership than ever before. During the past four years the OIIC has considered, on a number of occasions, the use of television as part of the oil-industry advertising program. Until now we have always come to the conclusion that we should continue using printed media as our major advertising channel of communication, primarily because an acceptable television program would call for a budget considerably in excess of the current one. On the basis of network time costs and current program costs, it is estimated that for OIIC to go into television effectively would cost in the neighborhood of \$2,500,000 annually. We are, however, continuing to review available programs which seem to offer possibilities as vehicles for OIIC against the day when it may seem desirable to invest this sum of money in television.
6. During the year, we expanded the use of executives who are temporarily loaned, full time, by the oil companies to increase our manpower and stimulate greater program activity. Two hundred oilmen in 27 states were loaned for this purpose.
7. *Films*: The film program has been growing in popularity, and each year we reach a larger audience. Our current motion picture, "The Story of Colonel Drake," in technicolor, is now available for widespread distribu-

tion. We are confident that it will be very popular with the schools. Next year we hope to produce an outstanding feature film on how the oil industry operates.

There are many other achievements, not all dating from this year, which could be cited—such as the “Magic Barrel” and “Magic Suitcase” demonstrations about the wonders of petrochemicals—but you can learn about them from our report.

This leads us to the question: “How are we doing?”

#### Impartial Analysis

Impartial outside analysis is often helpful in cases like this. Rather than have me defend the program, I thought you would like to have the unbiased evaluation of someone outside the industry as to the merits and shortcomings of the OIIC program. With this in mind, we asked Dr. Claude Robinson, president of the Opinion Research Corporation of Princeton, New Jersey, to give us his considered opinion. Many of you are familiar with his studies of industrial problems and know that what he has to say concerning our own OIIC program is based on wide and long experience. With your permission, I shall read from a memorandum he has sent us on this subject.

I quote from Dr. Robinson:

Over the past fifteen years we have had the privilege of working with a number of committees and trade associations on the problem of changing public opinion.

No one, to our knowledge, has worked more diligently nor more intelligently than the Oil Industry Information Committee. OIIC has never been content to coast along but has constantly been reaching out for new ideas. Also, OIIC has continually asked for objective evaluation of its efforts. . . . It is our professional judgment that OIIC has written and is writing a significant chapter in the art of public persuasion.

We have many trend lines to measure changes in public opinion. These trend lines provide eloquent testimony to the fact that normally mass attitudes change very slowly. The job of moving public opinion is like moving a mountain. You work at it day by day, and gradually you discover the face of things has changed.

This has been the experience of the electric utility industry in the fight on government ownership. This industry worked a long time before it made any noticeable progress in influencing people's thinking. Today the electric utility industry has majority support from the American people for private ownership. But it took many years of back-breaking work to reach this position.

The OIIC has succeeded in making the public more conscious of competition in the industry. A large majority, however, still believes that a few big companies dominate the oil industry and that this is not good.

The declining value of the dollar and the economics of the industry have resulted in increased gasoline prices. Gasoline apparently has become a little like bread—people are extremely sensitive to upward price changes; and the percentage saying the price of gasoline is too high rose from 30 to 42% between 1950 and 1953. We have no way of determining what percentage would be critical on the price issue if the OIIC had not been in operation.

Despite rising criticism on gasoline prices, the overall favorable impression of the oil industry has risen from 69 to 72% between 1946 and 1953.

OIIC can take a great deal of satisfaction from its school program. Our evaluation shows that the teachers who have used the booklets are enthusiastic about them. Substantial majorities say they would use the booklets again. The evidence shows clearly that OIIC efforts in schools are changing students' attitudes. We compared the attitudes of students who used OIIC booklets with those who did not, and found an average favorable change of 7% on information questions, and 5% on attitude questions. This must be judged as very sound performance.

On the advertising side we have data on the OIIC campaign and on those of every trade association running ads in *Life* and *Saturday Evening Post*. In 1949 and 1950, OIIC ads were using the indirect approach (or approach by analogy) to its audience; and, as a result, the campaign reached very few people. Your Committee acted on these findings and radically revised its approach. The play-through of ideas from this revised series immediately rose some three to four times.

The OIIC campaign, as measured by ability of readers to remember the ad and play back its content, is leading all association advertising. A few ads, by virtue of the story they told, have had limited appeal, but others have set high records for idea advertising.

No research group has yet found a satisfactory way to measure changes in attitudes from idea advertising. In the product field we now know how to measure the sales effectiveness of television advertising, but considerable experimental work must be done before we can determine how much an idea campaign has changed people's points of view. Meanwhile, the evidence is clear that OIIC has set up a flow of ideas about the industry, and this flow averages out at the top of association campaigns.

Public opinion will be with us tomorrow and the day afterward. The outstanding thing about the OIIC, in our opinion, is that the industry did not wait until some crisis developed before taking action, but set up a working pattern to cope with future eventualities.

We have no doubt but that five years from now the technique of mass persuasion will be more advanced than it is today. The answer is the same in public relations as in petroleum technology: keep working at it.

#### Shortcomings

You have just heard Dr. Robinson's evaluation of our activities. From his statement it is evident that this expert feels we are making progress. This makes us feel good, but we in OIIC are very self-critical and realize we still have some serious shortcomings to overcome. Speaking personally, I should list these as follows:

1. The Committee has been too modest in asking you for the kind of money and manpower needed to do the tremendous public-relations job which faces the industry.
2. We have scattered our shots too much, without sufficient concentration on specific targets. We are working to correct this in 1955.
3. We have been slow in our efforts to enlist greater participation from more segments of the industry. Most of our volunteers come from the marketing side of the industry—which is fine. But we need more representation from producing, manufacturing, research, and other

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important parts of the industry. This is something we intend to work on next year.

**The Outlook**

Speaking both personally and for the Committee, I feel strongly that our achievements—as cited by Dr.

Robinson—far outweigh our shortcomings. We could not have achieved this without your continued support and cooperation—inside and outside your companies.

You Committee is here to serve you and the industry. We can only lick the problems facing us if—as Dr. Robinson says—we “keep working at it.”