

Climate change legislation, media coverage drives oil companies' ad spending, study finds

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Major oil corporations tend to spend the most money on advertising and promotional campaigns at moments when they face negative media



coverage and/or the threat of increased federal regulation, a new study finds.

Robert Brulle, a Brown University visiting professor based at the Institute at Brown for Environment and Society, led an analysis concluding that investments in <u>advertising</u> and promotion by major oil companies directly correspond to Congressional action and media coverage on <u>climate change</u>.

The findings, published on Saturday, Dec. 14 in *Climatic Change*, suggest that oil company executives target their promotional efforts in ways designed to influence policymakers and to shape the public climate-change debate.

"All corporations rely on advertising to burnish their brands and minimize damage to their reputation," Brulle said. "But this analysis, combined with previous research, demonstrates that ad campaigns in the oil and gas sector are specifically intended to influence how the public and lawmakers think about the climate crisis and whether they act to address it. It shows that the rise and fall of spending levels is directly related to whether or not climate legislation is being considered."

Working with Melissa Aronczyk of Rutgers University and Jason Carmichael of McGill University, Brulle analyzed the annual corporate promotion advertising space purchases of ExxonMobil, BP-Amoco, Chevron-Texaco, Royal Dutch Shell and ConocoPhillips between 1986 and 2015. The researchers focused on four major factors that prior scholarship suggests might influence these companies' promotional expenditures: Congressional attention to climate change, corporate reputation, media attention on climate change, and public concern about climate change.

To gauge the extent to which each factor affects advertising spending,



the researchers collected data on hearings, bills, treaties and other climate change-related legislation; consulted Fortune's annual Corporate Reputation Index; measured levels of climate change-related media coverage; and tracked the timing of major oil spills and the release of major reports by the Intergovernmental Panel on Climate Change and the Nuclear Regulatory Commission.

Brulle said the team found that two of the four factors motivated the majority of oil companies' advertising spending: climate change-related media coverage and Congressional action.

"It seems their objective in advertising is to deflect criticism and avoid legislative action that attempts to address climate change," Brulle said. "That suggests that their primary motivation is to avoid the potential of additional regulatory scrutiny."

The findings also suggest, Brulle said, that oil executives are less concerned with public mood on climate change and with the release of major climate change reports, which invariably portray their companies in a negative light. Brulle said the latter finding was consistent with his own previous research, which indicates that <u>climate</u> change reports do little to sway public opinion, and are thus unlikely to spur <u>media</u> <u>coverage</u> and Congressional action.

The analysis comes as promotional spending by major oil companies reaches an all-time high. Between 2008 and 2016, the five largest oil companies spent an average of \$217 million annually on advertising. By contrast, average annual ad expenditures were \$102 million between 1997 and 2004 and \$35 million between 1986 and 1996.

More information: Robert J. Brulle et al, Corporate promotion and climate change: an analysis of key variables affecting advertising spending by major oil corporations, 1986–2015, *Climatic Change* (2019).



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