

BP brand may be tarnished for good

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BY REBECCA OLLES
THE RECORD
STAFF WRITER

After two months of gushing gallons of oil, tumbling stock shares, and no end in sight to the crisis in the Gulf of Mexico, can BP still save its brand? Marketing experts this week gave a bleak outlook for the beleaguered oil giant.



A marketing professor says BP CEO Tony Hayward has done everything he can to destroy his company's brand and insult Americans.

BP, among the biggest proponents of clean energy among the oil companies, has seen its reputation smeared from the oil hemorrhaging from the broken pipe. The responses from the CEO and chairman of the company have brought further scrutiny and criticism from the public. CEO Tony Hayward was quoted as saying he wants his life back, and before taking the blame, BP pointed fingers at other companies such as Halliburton Co.

On the local level, boycotts of BP gasoline stations have increased. Facebook groups are encouraging banning the construction of these stations, and they have recruited hundreds of thousands of members.

Ronald Goodstein, associate professor of marketing at Georgetown University's McDonough School of Business, said he believes the BP brand is irreparable.

"They are a good example of what not to do in a crisis situation," he said. "The CEO has singlehandedly done everything he could to destroy the brand and insult the Americans at the same time."

BP's multiple attempts and failures at capping the spill also have decreased public confidence in the company.

Keith Zackheim, president of Hackensack-based public relations firm Beckerman, said the BP brand faces almost impossible chances for redemption. He said the energy company failed to meet the three pillars of dealing with a crisis — contrition, accountability and transparency.

"I think their name will for-ever be tarnished," he said. "I don't see how they can recover from this mess."

MWW Group of East Rutherford has used crisis management to build its reputation as one of the nation's largest public relations agencies. Yet, President and CEO Michael Kempner said he cannot foresee BP salvaging its brand in the U.S.

"They will go down in infamy as one of the least responsible and most notorious brands in U.S. history," he said. "At this point, their only chance for survival is to truly become the corporate citizen that they pretend to be, but even then the odds are slim."

Even with this catastrophe, some local public relations companies have faith in BP's eventual recovery.

The Marcus Group Inc., located in Little Falls, helps firms with advertising, crisis management and public relations. Alan Marcus, president and CEO of the agency, said the BP brand has a chance to recover. Based on examples of Exxon's tanker oil spill in 1989 and Johnson and Johnson's Tylenol scare in 1982, Marcus said he is confident BP will survive.

"BP historically is a terrific company, and they are very well managed," he said. "But what they have failed to do with the American people is to simplify and demystify."

Though not properly handling the crisis at first, BP has an opportunity to use the environmental industry, said Heidi Raker Goldstein, president of Raker Goldstein & Co. in Old Tappan. She said BP should become involved with green energy and focusing on the environment and wildlife.

"The oil industry will go back generally to what it was," she said.

"There has to be transparency with the way BP is going to handle this."