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# A WARM WELCOME

This activity is similar to *A change of image* which deals with the rebranding of a charity. If time allows it would be possible to combine both activities by either running one after the other, or splitting the group in two and have each consider one case study.

## Aim

- ◆ To explore how branding can influence perceptions of an organisation.

## Outcome

- ◆ Participants will gain a better understanding of how corporate identity is constructed.

## What you need

Copies of **Actionpages:** *BP Amoco, Welcome to the new bp* and *BP – Behind the spin*  
Colour versions of the pages with logos can be downloaded from the Baby Milk Action website ([www.babymilkaction.org/spin](http://www.babymilkaction.org/spin)).

## What you do

- ▷ Explain that branding – logotypes (logos), livery etc – are an important element of corporate identity. These often change to maintain an up-to-date image or to signal a change in corporate direction.
- ▷ Ask if they can think of recent examples of rebranding, eg Barclays Bank, British Airways.
- ▷ They will look at a real case study to explore the process of repositioning an organisation.
- ▷ Divide participants into pairs. Hand out **Actionpage:** *BP Amoco*

## Whole group discussion

- ◆ Do you think BP has a strong brand identity?
- ◆ What are the differences/similarities between the old and new logos?
- ◆ Why do you think BP spent £4.5m on rebranding itself?
- ◆ Do you feel more positive towards the new identity? Why?
- ◆ How do colour, graphics, typography help to construct an image?
- ▷ Handout the **Actionpages:** *Welcome to the new bp* and *BP – behind the spin*, which provide background information to the rebranding processes. Give participants time to read them.
- ◆ Do you think the new logo successfully projects an image of a “progressive and responsible” company?
- ◆ Were you aware of the criticisms of BP and other oil companies?
- ◆ How do they affect your perceptions of BP and its rebranding?
- ◆ How are you affected by bad publicity about the environmental or human rights records of oil companies or other TNCs?
- ◆ Can you think of examples of campaigns or boycotts against TNCs (eg Nestlé – marketing of breast milk substitutes, Shell – human rights in Nigeria, Disney – workers rights in Haiti, Monsanto – GMOs, Nike – workers rights)?
- ◆ Have you ever boycotted a company because of bad publicity about its operations?
- ◆ Do you think such campaigns are necessary or effective?
- ◆ Do you think BP deserve a Greenwash Award?
- ◆ How can you find out if corporate claims for more responsible behaviour are justified?
- ◆ How far do you think the rebranding, including plans for garage forecourts, will affect public perceptions of BP?
- ◆ Which brands (charity or commercial) do you trust most? Why?
- ◆ Would you be receptive to new products and services that these organisations offered, eg banking, internet, insurance?

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## Key ideas

- ◆ Organisations often change their corporate image – typeface used on communications, logo, shop environment, staff uniforms etc – often spending millions in the process.
- ◆ These can be fairly minor changes in response to fashion, eg interior design, but can also accompany a major repositioning of an organisation because of changes in the market place or negative public perceptions.
- ◆ The brand has become an important asset to an organisation – a brand with positive associations will be able to command better prices, be able to introduce new products into the marketplace, eg supermarkets offering financial services, and recover more quickly from a crisis. Despite recent bad publicity Microsoft and Marlboro remain among the world's most valuable brands, according to Interbrand's Annual Survey.
- ◆ Rebranding is a long and often expensive process. BP Amoco spent almost £4.5m on their new identity, excluding the implementation of the new design. Branding consultants, often part of larger corporate communications companies, work in collaboration with an organisation's own communications department – devising the brief and setting criteria for choosing a new identity, producing an extensive list of possible names and reducing it to a shortlist, testing consumer responses, producing alternative designs.
- ◆ BP presents its rebranding in terms of projecting a modern, progressive image, following major mergers. However, it also needs to be seen in the context of an oil industry that wants to reposition itself following criticism for its role in global warming, pollution and human rights abuses. Although the new logo uses a design and colours with associations of green, flowers, the sun, the fact remains that fossil fuels will continue to provide the core of its business for the foreseeable future.
- ◆ The term 'greenwash' has been coined to describe how socially and environmentally destructive TNCs try to preserve and expand their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty.
- ◆ A change of image without a fundamental change of practice is merely window dressing – the bread and butter of much PR. Because of their past record, claims of corporate responsibility cannot be taken at face value. Well publicised environment or worker-friendly initiatives are often not subject to independent scrutiny, and are difficult to verify because of complex supply chains – contractors subcontracting work out.
- ◆ There are many examples of fabricated facts and half truths in environmental PR – an agro-chemical giant sells a pesticide to developing countries and implies it is helping to end hunger, even though the pesticide is banned in many countries because of its toxicity.
- ◆ There are many consumer organisations and pressure groups who provide information about negative aspects of TNC's operations. Much of this is available on the www.
- ◆ Responses to rebranding can be variable. British Airways' attempt to create a more global image with 'ethnic' designs on its planes was not well received despite a bill of over £60m.

## Follow-up

- ◆ Hand out **Actionpage: Brand value** which lists *The World's Most Valuable Brands* Divide participants into small groups. Each group should cut up their list to help them rank the companies in terms of the value of their brand, ie how far its reputation and strength will translate into sales and profits. Present results and discuss reasons for choices. Compare with results of Interbrand's 2000 Annual Survey. What are the main patterns that emerge? Which industrial sectors have high brand values? What large TNCs do not feature?
- ◆ Run the activity *A change of image* which looks at the transformation of a major charity, The Spastics Society, into Scope.
- ◆ **Appendix 1: PR for beginner** looks at the public relations industry in greater detail. **Appendix 3: A long road** is a case study of the long campaign to end the inappropriate marketing of breast milk substitutes.
- ◆ Look up the Interbrand website to get a clearer idea of the role of branding consultants and more case studies of rebranding some household names ([www.interbrand.com](http://www.interbrand.com)).
- ◆ Rebrand an organisation you know, eg school – write an identity brief, consider whether a new name is necessary, produce a shortlist with ideas for visuals and test consumer responses, eg focus group.

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# Actionpage: BP Amoco

Branding is an important element of corporate identity. This includes logotypes (logos), livery, eg designs on vehicles, typefaces used in official publications, uniforms, interior design of shops. Companies often spend millions in changing their image, with the advice of branding consultants. Rebranding can maintain an up-to-date image, or signal a change in corporate direction. You will look at the rebranding of BP Amoco, one of the world's largest oil companies.

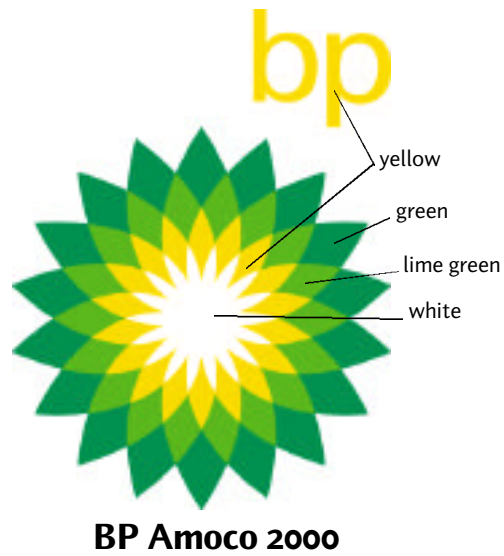
- ◆ Look at each logo and note down the main design features next to it:
  - What is your first impression?
  - How would you describe the graphic?
  - How would you describe the typeface(s) used?
  - How has colour been used?



**Amoco 1971**



**BP 1989**



- ◆ What are the differences/similarities between the old and new logos?
- ◆ What message does the new logo communicate?
- ◆ Why do you think BP spent £4.5m on rebranding itself?
- ◆ Do you think the new identity will translate into higher sales and market share? Why/why not?
- ◆ Do you feel more positive towards the new identity? Why?

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# Actionpage: Welcome to the new bp

“Our new mark resembles a dynamic burst of energy; bright white at the core with radiant beams of yellow and green light. Our mark’s interlocking parts represent the diversity of our people, products and services. Its radiance is a daily reminder of our aspirations and purpose. We call it the Helios mark, after the sun god of ancient Greece. Each day, Helios steered his chariot across the sky, bringing light and power to the earth. In a hundred countries across the globe, a hundred thousand BP employees bring the world energy in the forms of light, warmth, and mobility. The new brand was developed with US branding consultants Landor Associates and launched on 24 July 2000. Researching and preparing the new brand cost about £4.5m, principally on legal and copyright protection, as well as consumer testing.”

BP launch press pack, 2000



## Press release

Embargoed until 6.00pm BST, July 24 2000

### BP Amoco Unveils New Global Brand to Drive Growth

BP Amoco today unveiled a new, unified global brand and announced plans for a radical update of its retail sites around the world.

The re-vamp – which comes 12 years after BP’s sites were last modernised and 20 years after the refurbishment of Amoco’s network – is part of a major drive by the group to grow its worldwide retail business by over 10 per cent a year.

The move to a single brand follows a \$120 billion series of mergers and acquisitions which, over the past two years, has brought together the former British Petroleum, Amoco Corporation, Atlantic Richfield (ARCO) and most recently Burmah Castrol, to create a combined group with a market value of more than \$200 billion.

Today’s announcement reveals that the enlarged group will in future be known simply as BP, with the familiar BP shield and Amoco torch replaced by a fresh new symbol depicting a vibrant sunburst of green, white and yellow.

Named the Helios mark after the sun god of ancient Greece, the new logo is intended to exemplify dynamic energy – in all its forms, from oil and gas to solar – that the company delivers to its ten million daily customers around the world. It also echoes an original marble motif in the London headquarters of BP which was designed by the celebrated architect, Sir Edwin Lutyens, in the 1920s.

BP Amoco chief executive Sir John Browne said: “Put simply, we have adopted a single brand to show our customers around the world that, wherever they see the BP sign, they can consistently expect the highest quality of products and services.

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“We also believe it will greatly strengthen the sense of identity and common purpose of our 100,000 staff in more than 100 countries on whom we depend to produce and distribute those products and services in a way that meets our aspiration to be a progressive, responsible company.”

The new logo will be rapidly introduced at company offices, manufacturing plants and on correspondence. But its appearance on retail pole-signs will be phased to coincide with the up-dating of the company’s retail network, currently 28,000 sites around the world, which will take four years to complete.

The first new retail sites will open later this year in London and in Cleveland and Indianapolis in the US, based on a radical prototype service station perfected over the last three months at a secret warehouse location in Atlanta, Georgia.

The new sites, liveried in green, white and yellow, will offer customers a radical new concept in refuelling and shopping. As well as proprietary cleaner-burning fuels and premier Castrol lubricants, the novel BP Connect service will feature in-store e-kiosks where customers can check weather and traffic conditions, pay without cash or credit cards and call up directions to local destinations.

While filling their tanks, customers can use a touch-screen monitor to order sandwiches, pastries and snacks which will be waiting for them inside the store. The screens will also offer sports scores and the latest news headlines.

In line with its commitment to environmental improvement and its major investment in solar, BP’s new sites will be partly powered by energy from the sun, through solar panels forming the transparent canopy above the pumps.

The company said it had spent some \$7 million on researching and preparing the new brand, principally on legal and copyright verification and protection in the countries where it operates or might wish to do business in the future. It plans to spend a further \$25 million a quarter in support of the brand change, mainly non-retail signage and additional advertising. It said the cost of re-vamping its retail network was expected to be broadly in line with investment already earmarked by the pre-merged companies to upgrade their sites.

The company said that although BP will be the single global brand, it intended to retain the value of its strong product brands with Castrol becoming its premier lubricants brand worldwide. All the company’s US sites east of the Rockies would continue to sell Amoco fuel products and feature Amoco Ultimate which is recognised as a leading quality fuel. It also intended to retain the ARCO brand and marketing strategy at its 1,800 retail outlets on the US West Coast.

Sir John Browne said: “We expect the move to a global brand and the introduction of state-of-the-art retail sites to bring a significant increase in sales and to make a major contribution to our recently-announced target of growing underlying earnings for the group as a whole by at least ten per cent a year over the next three years.”

**“We believe that brands are now among a company’s most valuable assets and represent the ‘engines’ of corporate growth, future success and ongoing profitability. Given this situation, it is imperative that companies understand the quality of these important assets and manage them for distinctiveness and growth. At Interbrand we combine strategic analysis, research and valuation techniques, international creative teams, and legal resources to provide our clients the best solutions to their branding needs. The result is strong, enduring and distinctive brands in every market all over the world.”**

website of Interbrand, world’s leading brand stewardship consultants, 2000

# Actionpage: BP – behind the spin

Over the years BP (along with other oil companies) has been criticised on a number of issues.

## Global warming

The UN's Intergovernmental Panel on Climate Change (IPCC) – the world's top climate scientists – agree that greenhouse gases in the atmosphere, mostly carbon dioxide from burning fossil fuels, are contributing to global warming. Predicted effects include melting glaciers and ice caps, coastal flooding, heat waves, crop failures, spread of tropical diseases, and unpredictable weather. BP has been part of the campaign by industry groups to block global climate treaties which aim to reduce greenhouse gas emissions. In summer 1999 Corporate Watch, a US pressure group which provides analysis, research tools and action resources to respond to corporate activity around the globe, gave BP a Greenwash Award for unwarranted claims to be environmentally responsible ([www.corpwatch.org](http://www.corpwatch.org)).

# BP Amoco

## Sample Greenwash Awards

### Plug in the Sun?

In March, 1999, BP Amoco bought Solarix for \$45 million, making it the largest solar company in the world. A week later, BP Amoco announced it would install solar panels in 200 gas stations around the world- BP Amoco's "Plug in the Sun" program.

But wait a minute! These are gasoline stations we're talking about. What's the message here? "We can fill you up by sunshine," says BP. But they are still filling you up WITH GASOLINE, the lifeblood of the oil industry, and a leading cause of global warming. BP Amoco hopes you will be putting "some sun in your life," even as you put greenhouse gases in your tank.

No one denies the importance of developing solar energy. Still, solar-powered gas stations are deeply ironic for the climate protection movement.

Just how significant is the Plug in the Sun project? Not very, considering BP Amoco's primary business continues to be oil and gas.


- The burning of fossil fuels from BP Amoco (including ARCO, if the sale is approved) alone leads to emissions greater than those of Central America, Canada or Britain.
- The \$45 million spent on Solarix is just a fraction of the \$400 million Stamp Duty Reserve Tax associated with the proposed purchase of ARCO.
- Meanwhile, in Alaska alone, BP Amoco will spend \$5 billion in the next five years on oil exploration and production.


The burning of fossil fuels - oil, gas and coal - is at the heart of global climate change. And it is production and marketing of fossil fuels which remains at the heart of BP Amoco as well. Everything else is window dressing.

BP Amoco is committed, over the long term, to oil and gas. This contradiction to its professed concern about global warming is explained lamely by the company: "...plentiful supply [of fossil fuels] is essential...if we are to make a successful transition towards a cleaner environment."

How's that again? Expansion of the oil industry is the key to a cleaner environment? When profits are at issue, BP Amoco's professed cooperation with the world community, along with common sense, simply goes up in smoke. Still, the company hopes that by spending just .01% of its portfolio on solar as it explores for more oil and sells more gasoline, it can convince itself and others of the slogan: BP knows, BP cares, BP is our leader.

*We award Chairman John Browne an electric car he can plug into his solar panels.*



 [www.corpwatch.org](http://www.corpwatch.org) the watchdog on the web

Exposing Corporate Greenwash • Earth Day 2000

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**green\*wash:** (n) Disinformation disseminated by an organisation so as to present an environmentally responsible public image. Derivatives greenwashing (n). Origin from green on the pattern of whitewash.

*Concise Oxford English Dictionary*

### **Environmental destruction**

BP operations feature in the Greenpeace Filthy Fifty list and in Friends of the Earth's Secret Polluters list. In February 1991, a 300,000 gallon spill from a BP-chartered oil tanker spread for twenty square miles and severely disrupted the environment of nearby Huntingdon beach in California. The State of California then drafted new legislation to improve tanker safety and to elicit a \$500m spill response fund to be paid for by the oil companies. This was part of the far-reaching 'Big Green' environmental proposals defeated in late 1990 by a 3:2 majority. BP spent \$171,000 to help oppose the bill. They are now leading the expansion of the Atlantic Frontier which is a highly sensitive ecosystem.

*The Ethical Consumer Guide to Everyday Shopping* 1993

Recently BP, the world's second largest oil company and one of the world's largest corporations, advertised its new identity as a leader in moving the world "Beyond Petroleum." Such leadership would benefit the world's climate and many of its communities immensely, according to British Petroleum. Sound too good to be true? Let's see.

BP says Beyond Petroleum means "being a global leader in producing the cleanest burning fossil fuel: Natural Gas." It's true that natural gas is not petroleum, but is it true that gas is a radical improvement over oil for our climate? In theory, natural gas emits somewhat less carbon dioxide than oil for the same energy produced. But when fugitive emissions, or leaks, are counted, the difference is slim to none. For the climate, natural gas is at best an incremental improvement over oil, and at worst a distraction from the real challenge of moving our societies away from fossil fuels.

That challenge is what is meant by "moving beyond petroleum" when used by environmental groups. Rainforest Action Network, for example, says their Beyond Oil campaign works to "move our societies out of our devastating dependence on fossil fuels and into renewable energy options." BP's re-branding as the "Beyond Petroleum" company is perhaps the ultimate co-optation of environmentalists' language and message. Even apart from the twisting of language, BP's suggestion that producing more natural gas is somehow akin to global leadership is preposterous. Make that Beyond Preposterous.

Kenny Bruno in *International Herald Tribune* 5 November 2000

### **Land rights**

BP has been criticised a number of times in the past for its mineral operations on tribal peoples' lands. The company has now pulled out of minerals. It does however continue to search for oil and, along with other companies, it has been criticised for operations in the Amazon, where a number of Indian Reserves have been affected.

*The Ethical Consumer Guide to Everyday Shopping* 1993

### **Supporting brutal/repressive regimes**

It has been documented that BP gives money to the military in Colombia to protect its interests. A leaked Colombian government report showed that BP supplied the military with details of peasant, trade union and environmental activists. The Colombian army is now under investigation for "human rights abuses and alleged involvement in the death of 6 peasant leaders who protested about the oil".

*The Guardian* 30 June 1997

# Actionpage: Brand value

Each year Interbrand, the world's leading branding consultant, publishes a survey, *The World's Most Valuable Brands*. The companies are selected according to three criteria:

- ◆ the brand must be global, generating significant earnings in the main global markets
- ◆ only leading brands in the 25 mainstream sectors are considered, eg automobiles, technology, leisure and clothing
- ◆ there must be sufficient marketing and financial data publicly available for preparing a reasonable valuation – some high profile brands are excluded because of lack of appropriate public information, eg Visa, BBC, Red Cross.

Interbrand calculate the brand value by starting with the economic profit generated by the brand to the underlying business. This valuation process examines three areas:

- ◆ the future economic earnings the branded business is expected to generate
- ◆ the role of the brand in generating those earnings
- ◆ the vulnerability of the brand's expected earnings to unforeseen market problems.

The following list includes the top 50 brands of 2000. Rank the ones you know in order of what you consider to be their value.

<b>Amazon.com</b>	<b>Gap</b>	<b>Microsoft</b>
<b>Amex</b>	<b>General Electric</b>	<b>Motorola</b>
<b>AOL</b>	<b>Gillette</b>	<b>MTV</b>
<b>Apple</b>	<b>Gucci</b>	<b>Nescafe</b>
<b>AT&amp;T</b>	<b>Heinz</b>	<b>Nike</b>
<b>BMW</b>	<b>Hewlett-Packard</b>	<b>Nokia</b>
<b>Budweiser</b>	<b>Honda</b>	<b>Pepsi-Cola</b>
<b>Cisco Systems</b>	<b>IBM</b>	<b>Philips</b>
<b>Citibank</b>	<b>IKEA</b>	<b>Reuters</b>
<b>Coca Cola</b>	<b>Intel</b>	<b>Samsung</b>
<b>Colgate</b>	<b>Kelloggs</b>	<b>SAP</b>
<b>Compaq</b>	<b>Kleenex</b>	<b>Sony</b>
<b>Dell</b>	<b>Kodak</b>	<b>Toyota</b>
<b>Disney</b>	<b>Louis Vuitton</b>	<b>Volkswagen</b>
<b>Duracell</b>	<b>Marlboro</b>	<b>Xerox</b>
<b>Ericsson</b>	<b>McDonald's</b>	<b>Yahoo!</b>
<b>Ford</b>	<b>Mercedes</b>	

# World's most valuable brands – 2000

	<b>brand</b>	<b>brand value 2000 (\$m)</b>	<b>country</b>	<b>industry</b>
1	Coca Cola	72,537	USA	food/beverages
2	Microsoft/Windows	70,197	USA	technology
3	IBM	53,184	USA	technology
4	Intel	39,049	USA	technology
5	Nokia	38,528	Finland	technology
6	General Electric	38,128	USA	diverse
7	Ford	36,368	USA	automobiles
8	Disney	33,553	USA	leisure
9	McDonald's	27,859	USA	food retail
10	AT&T	25,548	USA	telecoms
11	Marlboro	22,111	USA	tobacco
12	Mercedes	21,105	Germany	automobiles
13	Hewlett-Packard	20,572	USA	technology
14	Cisco Systems	20,068	USA	technology
15	Toyota	18,824	Japan	automobiles
16	Citibank	18,810	USA	financial services
17	Gillette	17,359	USA	household goods
18	Sony	16,410	Japan	electronics
19	Amex	16,122	USA	financial services
20	Honda	15,245	Japan	automobiles
21	Compaq	14,602	USA	technology
22	Nescafe	13,681	Switzerland	food/beverages
23	BMW	12,969	Germany	automobiles
24	Kodak	11,822	USA	leisure
25	Heinz	11,742	USA	food/beverages
26	Budweiser	10,685	USA	alcohol
27	Xerox	9,700	USA	technology
28	Dell	9,476	USA	technology
29	Gap	9,316	USA	clothing
30	Nike	8,015	USA	clothing
31	Volkswagen	7,834	Germany	automobiles
32	Ericsson	7,805	Sweden	technology
33	Kelloggs	7,357	USA	food/beverages
34	Louis Vuitton	6,887	France	luxury goods
35	Pepsi-Cola	6,637	USA	food/beverages
36	Apple	6,594	USA	technology
37	MTV	6,411	USA	leisure
38	Yahoo!	6,300	USA	new media
39	SAP	6,136	Germany	technology
40	IKEA	6,032	Sweden	household goods
41	Duracell	5,885	USA	household goods
42	Philips	5,482	Netherlands	electronics
43	Samsung	5,223	South Korea	electronics
44	Gucci	5,150	Italy	luxury goods
45	Kleenex	5,144	USA	household goods
46	Reuters	4,877	UK	media
47	AOL	4,532	USA	new media
48	Amazon.Com	4,529	USA	new media
49	Motorola	4,446	USA	technology
50	Colgate	4,418	USA	household goods

For more details look at Interbrand's website  
[www.interbrand.com/valuebrands.html](http://www.interbrand.com/valuebrands.html)