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ADVERTISING

The Oil Industry Calls on an Image Expert

By JEFFREY BALL
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Got oil?

For two decades, industries facing image problems have turned for help to a Virginia-based market-research shop founded by President Reagan's former pollster, Richard Wirthlin. The company, formerly called Wirthlin Worldwide and now part of [Harris Interactive Inc.](#), has shaped multimillion-dollar campaigns for embattled products from plastics to bread to milk.

Now it's going to bat for Big Oil.

In January, the oil industry will launch its first-ever major advertising campaign, scrambling to salvage a reputation suffering amid high gasoline prices and concern about fossil-fuel dependence. After this week's Democratic takeover of the House, the industry may face a more hostile political scene, threatened with stricter tax laws and with deeper resistance to the industry's desire to drill in new places.



Left, an early ad in the American Petroleum Institute's campaign; right, a milk industry pitch

and to counter environmentally related criticisms. The American Petroleum Institute, the oil-and-gas industry's Washington-based trade group, says its new campaign is a broader effort to "educate" consumers and policy makers about how the energy industry works. The industry says its research shows that the more people know about energy, the more likely they are to support the industry's Washington agenda.

Red Cavaney, president of the API, has long relied on market research by Wirthlin. Over the years, the petroleum institute has floated occasional ads based on that research. But last fall, when the Gulf Coast hurricanes sent gasoline prices soaring -- and, with

The oil industry's image is "really in a free-fall," Jean Statler, the Harris senior vice president working on the campaign, said at a recent oil-industry conference in Dallas. "Things are really as low as they've been in a long time -- maybe ever."

Individual oil companies have long used advertising to boost brand loyalty

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them, public fury at Big Oil -- the institute decided it needed to do far more. It rolled out a few ads intended to tamp down calls for punitive action against the industry. And it put some staffers on what amounts to damage-control duty, flying around the country to meet with reporters, chambers of commerce and other groups. Now the institute has decided to ratchet up that effort into a full-fledged, open-ended campaign that includes print ads created by the Edelman public-relations firm's advertising unit, Blue Worldwide.

It hasn't set a budget for the effort. "We will spend what's necessary to achieve the objective," Mr. Cavaney says. The milk industry spends more than \$100 million a year on marketing.

Beating up on the oil industry has become a bipartisan pursuit. Indeed, industry executives say the Democrats' control of the House may prove less important than the fact that neither party controls Congress by much. That means both parties are likely to continue attacking the industry to score political points.

Yet the oil industry retains clout. Pouring in tens of millions of dollars, oil companies helped defeat an initiative on Tuesday's California ballot that would have hit oil companies with an "extraction fee" on every barrel of oil pulled out of that state.

A main goal of the API campaign will be to persuade policy makers that today's high energy prices are the result not of any conspiracy by oil companies, but of the thinning cushion between global energy supply and demand. So, the campaign will argue, the government should reject calls to slap industry with higher taxes. Moreover, the government should make it easier for oil companies to drill in the Rocky Mountains and should allow drilling in places now off-limits, including swaths of watery territory off the country's east, west, and Gulf of Mexico coasts.

Yet the call for new drilling will be couched in a softer endorsement of steps to address the energy crunch, from efficiency to alternative fuels.

That message is "probably the gateway for gaining the supply of oil and natural gas in the Rockies and the Gulf coast," Ms. Statler told the conference. "I know and you all know that you're in the oil and gas business," she said. "But the fact of the matter is there is just a driving, desire" by Americans "for the industry to start diversifying" beyond fossil fuels.

Mr. Cavaney and Ms. Statler worked together before on a campaign for the plastic in the early 1990s was facing a political barrage. The media's spotlight on the plastics in landfills was turning the public against the product. Local governments banning plastic coffee cups and barring disposable diapers from landfills.

The American Plastics Council, an industry group, mobilized. At the time, Mr. Cavaney was president, and Ms. Statler its head of communications.

To block the proposed anti-plastics legislation, the plastics council hired Richard L. Wirthlin, a former Reagan pollster who had gained notoriety for using market research to help connect with voters on an emotional level. He started a company to apply that research to products.

With Mr. Wirthlin's help, the plastics council designed a campaign to highlight plastic's role in daily life. In addition to ads based on the Wirthlin research, the council's lobbying to kill the anti-plastics legislation, and proposals by the industry itself for plastic-recycling programs. The idea: to "make sure you don't feel guilty about it," Ms. Statler says.

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The campaign "was hugely successful," Mr. Cavaney recalls. "When a lot of states started to ban disposable diapers from landfills, we went out and communicated with a lot of communities. And the mothers of America gave people a response to that that you can't even imagine." After a barrage of complaints to government officials, the proposed bans were derailed.

Bread was another beneficiary of such marketing. Every five years, the federal government reviews its dietary guidelines for Americans, a regimen represented by the "food pyramid." In 2003, worried by publicity about the Atkins and other low-carbohydrate diets, the industry hired Wirthlin to conduct research for a public-relations campaign that would tout bread's health benefits. That research resulted in a campaign that played out in 2004, as the government was considering a proposal to remove grains from their position at the pyramid's base, reducing the recommended daily number of servings.

Ads in Washington and New York targeted "policy makers and the media," and a group of experts was tasked with "messaging" about the latest scientific information on grains, says Lee Sanders, senior vice president at the American Bakers Association, a trade group. In the end, when the government tweaked its recommendations, the industry took only "a slight hit," Ms. Sanders says. The number of recommended daily servings of grain dropped by one, but "we still have the base."

Something similar happened with milk. A decade ago, seeking to stem a long decline in per-capita U.S. milk consumption, the dairy industry launched its ad campaign showing celebrities with a "milk mustache." A few years later, it added the tagline, "Got Milk?" But the ads, which stressed the health benefits of milk, weren't producing big enough sales results, says Tom Nagle, senior vice president for the Milk Processor Education Program, the milk-processing industry's Washington-based marketing group.

Then the milk group hired Wirthlin, which "radically changed what we did," Mr. Nagle says. Though the mustache motif continued, the ads that focused on women, a target audience of the campaign, began featuring female celebrities talking about their active lifestyles and how milk can help.

Mr. Nagle's research says women bought more than twice as much milk because of a 2005 television ad based on Wirthlin's work than they did in response to a 2004 ad that didn't use the emotional approach.

As for oil, it presents a "much bigger challenge" to a marketer than did plastics or bread or milk, Ms. Statler says. But history offers some hope. The public's approval of plastics "was lower than tobacco when we started" that campaign, she notes. "And tobacco was lower than oil."

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