

# How Does a Company Recover from a Tragedy?

**After Tuesday's Deadly Shooting, LA Fitness Club Risks Having Its Name Tarnished**

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When tragedy strikes a company, sometimes the only thing it can do to win back customers is to make a radical change.

After [Tuesday's deadly shooting](#) at [an LA Fitness Club](#) outside Pittsburgh, the gym chain now faces a public relations nightmare: how to ensure that its name is not forever tied to [this horrific event](#).

"Generally speaking, death and violence does not help any brand. It's not something that you can easily walk away from," said Robert Passikoff, founder of Brand Keys, a New York consulting firm. "The sense about what has occurred is generally very far reaching, into the DNA of the brand."

It's too early to say how LA Fitness is going to recover -- and company officials did not immediately return calls seeking comment -- but one option for the gym is to change its name.

ValuJet changed its name to AirTran after a 1996 crash in the Florida Everglades killed 110 people.

And then there is Philip Morris. When the tide of public opinion against cigarette makers hurt its image, the company rebranded itself as Altria Group. It's not exactly a name that rolls off consumers' tongues, but that's O.K.

For LA Fitness it's a trickier issue. It's not as if the company was directly responsible for the damage to its brand. But still, it risks always being associated with this shooting.

"Sometimes there is such visceral damage to the brand -- whether it's the brand's fault or not -- that any attempt at branding as usual would be a Band-Aid remedy, and so you are better off walking away and starting fresh," Passikoff said. "It is easier to establish a neutral name than to repair the old name."

In recent months, we have witnessed the financial industry go through a similar process.

In March, AIG CEO Edward Liddy revealed that while his company's healthy businesses would survive, its name probably wouldn't.

"I think the AIG name is so thoroughly wounded and disgraced that we're probably going to have to

change it," he told Congress.

And GMAC Bank, which had its name tarnished through subprime mortgages, recently changed its name to Ally. A "bank that values integrity as much as deposits" is how Ally describes itself.

Passikoff said that today's media makes it harder for companies to simply clean up their images without a name change.

"It used to be the old saying: It doesn't matter what they say about you as long as they spell your name right. That's not true anymore, given the lack of control companies have today with the Internet, Twitter and Facebook," he said. "You really need to be very conscious about what brand values have been affected and what might be the best thing to do."

For now, he said, the company can wait and monitor things, watching whether or not attendance is down or if fewer new members are signing up.

The company can also make contributions to the families affected, including setting up education funds for the children of those killed. But Passikoff warned that such acts of generosity "tend to be very short-term fixes."

"People remember the tragedy a lot longer than the good deeds that follow," Passikoff said.

Rod Underhill, CEO of Texas-based Profit Accelerators, said the company doesn't necessarily need a new name but needs to find a way to associate its name with the good aspects of its business.

He said LA Fitness needs to find the one thing that sets it apart from all the other gyms out there, something it hasn't done to date.

"The mind can only retain one thing associated with one brand," Underhill said. "You think Coca-Cola, you think refreshing."

Underhill warned, however, that the gym already has a lot vested in its name and doesn't want to risk losing those positive associations.

"What this could do is present an opportunity for them to go back and create a brand," he said. "The best thing they can do with the existing members is to be in communication with them, providing details of what happened, how it happened and what actions they are taking to make sure it doesn't happen again."

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