A Tissue Issue – When Good is not Green Enough

TEACHING NOTES

Learning Objectives

Kimberly-Clark's CBIRM

In order to understand the effects of Greenpeace'sKleercut campaign on Kimberly-Clark's reputation, "Corporate Brand Identity and Reputation Matrix" or "CBIRM" has to be taken into consideration. CBIRM was developed from "Corporate Brand Identity Matrix" or "CBIM" by Dr. Mats Urde. According to his lecture in BUSN35, Corporate Brand Management and Reputation, CBIRM framework connects identity, communication and reputation, as there are logical links among these elements, especially between identity and reputation. The framework's broader intent is to provide the management of corporate brands with a larger framework that takes both identity and reputation into consideration. From a managerial point of view, it is designed to provide an overview and help to identify areas of improvements to strengthen the reputation and to stay true to the identity to the brand. **Exhibit 1** in which it provides seventeen elements with their definition.

CSR Communication

Roper & Fill (2012) state that corporate social responsibility (CSR) has become more important in corporate actions and communications through the past 10-15 years. Also Kimberly-Clark has issued this since 1991 when they first introduced sustainability policies. Through CSR companies can reach out their core business operations and strategy and work with other issues as well, such as sustainability issues. Many companies are also using CSR as strategic tool in order to differentiate themselves from the competitors (Roper & Fill, 2012). Active CSR work does not automatically improve a company's reputation. A study by Ashforth& Gibbs (1990, presented in Roper & Fill, 2012) suggests that those firms that promote their CSR activities the most also attract more criticism. This is the case of the feud between KC and Greenpeace. Greenpeace could easily label Kimberly-Clark hypocritical because they were stressing the sustainability factors but not to the degree Greenpeace would have been satisfied with.

According to Roper & Fill (2012) there are four dimensions to successful CSR communication: accuracy, timely, transparency and credibility. Firstly, the organisation has to provide different stakeholders with accurate information in order to prove itself as a responsible actor. This is the basis of Kimberly-Clark's CSR communication. They provided yearly sustainability reports with statistics about

their different efforts and performance. Secondly the messages need to be timed according to the different needs of different stakeholders. This is where Kimberly-Clark starts to stumble. They do not address Greenpeace's accusations right away and sometimes not at all. Thirdly the information needs to be transparent as in complete and relevant. And lastly the information should be credible, maybe even reviewed by external sources. Kimberly-Clark got caught telling straight up lies and despite their extensive and comprehensive data provided in the sustainability reports. The credibility in this case is a complex question. The external stakeholders must review not only the credibility of Kimberly-Clark's communications but also the credibility of Greenpeace's communication.

Crisis Management

When a crisis hits an organisation, what is damaged is not only the its reputation, but also its relationship with stakeholders (Roper & Fill, 2012). Pearson &Mitroff (1993, cited in Roper & Fill, 2012) proposed that different stakeholders adopt a particular role which varies from a rescuer to enemy in a crisis issues. In this case, Greenpeace played as the enemy to Kimberly-Clark as they maintain hostile and aggressive actions (Pearson &Mitroff, 1993, cited in Roper & Fill, 2012). Greenpeace is not the target stakeholder to KC at the beginning, but they gained their attention and supports from public through long-term communication with KC's target stakeholders. This is in accordance with Greyser's observation that "One can create a positive platform for oneself, but others can hijack/usurp it for their advocacy (2009). Different stakeholders require different type of information (Roper & Fill, 2012, p.312). Greenpeace had already won the advocacy from KC's stakeholders, therefore, KC's response strategies need to be diversified but also targeted to the stakeholders in order to save the situation.

One of the important arguments between two parties is who is telling the truth. Greyser (2009) viewed that perceived authenticity and positive reputation go hand in hand, and substance - in the form of corporate behavior past and present- undergrids a corporation's ability to talk, be, and stay authentic in normal as well as troubled time. Both KC and Greenpeace'scredibilities were challenged in this case. As Greenpeace enjoyed a stronger reputation in sustainability than KC, based on Roper & Fill (2012), it means Greenpeace's source credibility is higher, and therefore it is even more important for KC to get evidence-based substantive support to make the communication effective and build the trust for the company (Gresyer, 2009). Besides, Gresyer (2009) also thought that credibility is the key of protecting a

company from the unanticipated reputational problems, especially those not impacting on brand essence. At that time, the brand meaning of Kimberly-Clark is hygiene and health, which has no direct connection with environmental sustainability, hence, saving and maintaining the credibility is pivotal for KC so as to survive the crisis.

Teaching Notes

Case Synopsis

Kleercut is the name of a former campaign conducted by Greenpeace towards Kimberly-Clark. It began from 2004 to 2009. Kimberly-Clark is "the world's largest manufacturer of tissue products, most notably the Kleenex brand" (Kleercut, 2015). According to its annual environmental report, the company "purchases over 3.1 million metric tonnes (3.4 million tons) of virgin fiber from logging companies annually" (Kleercut, 2015). The Kleercut campaign claims that this fiber is derived from wood pulp from old growth forests, but Kimberly-Clark claims that the forests in question are largely cut for timber. The Kleercut campaign claims that Kimberly-Clark support the clear cutting of such forests in Canada and the United States, including forests habitat for wolverine and threatened wildlife the woodland caribou. Kimberly-Clark has responded that many of its supplies are certified by the Sustainable Forestry Initiative or the Canadian Standards Association (Kimberly-Clark, 2015).

On August 5, 2009, Kimberly-Clark and Greenpeace held a joint press conference, where the company announced that it would source 40% of its paper fiber from recycled content or other sustainable sources – a 71% increase from 2007 levels. The demand created by Kimberly-Clark for sustainably logged fiber was greater than the supply, enabling the company to convince logging companies to change their practices (Kleercut, 2015).

Opening Question

The class is Kimberly-Clark's management.

What would you do? Should Kimberly-Clark assert their own position, or try to stop the attack from Greenpeace?

Teaching Plan

The presentation of the case is divided into four parts:

First the background and the initial issue is presented. The case provides background on the two organizations in case and description of the attacks and responses between Kimberly-Clark and Greenpeace. In this part we ensure that the students are able to see where the two actors stand, what has lead to this gridlock-situation and to be able to have a giving discussion about where the case should go. (10 minutes)

In the second part the students are assigned the role of Kimberly-Clark's management to decide what to do in this situation. When engaging into the discussion and positioning themselves as the managers the students have a chance to apply their theoretical knowledge into a real life situation. The case provides the class with the following leading questions, but questions that arise from the class can be just as if not even more interesting and valuable.

- What should Kimberly-Clark management do?
- Should they still try to defend their own position?
- Should they try to stop the attack from Greenpeace?
- Why do they prolong this matter for five years to settle it?

The comments from the discussion are written on the whiteboard and they should be organized under the three headings – Issues, Alternatives, and Actions. The discussion part should end with the class agreeing, through voting if necessary, on what actions Kimberly-Clark should take. (15 minutes)

After the case discussion the actual solution to the problem will be presented. The actions taken by the company are presented as they actually happened even though the class had come up with a widely different solution. After the presentation of the actual solution of the situation the class is provided with some time to reflect and comment on the solution of the two organisations. (15 minutes)

The attack was widely covered in media and pictures and videos can be used to illustrate the case. Greenpeaces advertisement can be used to show the rhetoric used against Kimberly-Clark and the variation of them will show the constant pressure they were putting on Kimberly-Clark. On the other hand videos from example Fox News show a media opinion that is closer to Kimberly-Clark's point of view and highlight more of the consumer's actual take on the feud.

A timeline included in the presentation slides can help the participants to understand

the bigger picture of the case and see in a chronological order what exactly happened. It can also provide some perspective of the actual length of the situations. The timeline should include at least the following events:

2004: Launch of Kleercut, KC first time number one in Dow Jones Sustainability Index
2005: Sustainability report that prohibits the use of pulp from the boreal forests, Greenpeace drives the Kleercut-trucks to KC's shareholder meeting
2006: Greenpeace publishes the "Chain of Lies"-report, KC admits they have purchased pulp from the boreal forests
2007-2008: Attacks from Greenpeace continue, KC states the issue in their Sustainability Reports
2009: The introduction of "Forest Friendly 500"

This case is constructed from Kimberly-Clark's point of view. It is also possible to present it from Greenpeace's perspective. They are known for their aggressive attacks that often highlight
vast gaps in companies' environmental practices, but in this case they attacked a company with clear sustainable mission. The question discussed can be for example:

- What is Greenpeace's reputation and is the organisation in a position to damage other organisation's reputations?
- Is attacking other company's reputation Greenpeace's main weapon and if so how effective it is?
- How does attacking a "sustainable" company affect Greenpeace's reputation?
- How Greenpeace use different communication strategies?

Reflection

This case is the assignment of Corporate Brand Management and Reputation (BUSN35) Master's course at Lund University Business School. It requires students to work with the Management Decision Case that describes a real business situation leading up to a question(s) that needs to be assessed, analyzed and discussed.

Our group started the project with the cases selection. Each group member came up with one case they were interested. In the first group meeting, after the proposed cases were assessed and evaluated, we agreed to choose the case of Kleercut, the campaign launched by Greenpeace to attack Kimberly-Clark's bad performance in destroying ancient forest in North America, as the case to be studied. What this case interested us is that it was end up with an agreement of partnership between two parties in 2009 after the five-year battle. We believe that the process of analyzing this

case can help students understand how could a corporation survive the crisis and protect the corporate brand.

Information Collection

After a quick review of the case, we figured out the leading question is *what should Kimberly-Clark management do*? Guided by the leading question, we added complementary questions that help understand the whole issue. The questions are:

- Who are Kimberly-Clark and Greenpeace?
- Why and how did Greenpeace attack KC?
- Should KC focus on assuring their own position?
- Should KC try to stop the attack?

Inspired by the role playing method that students were encouraged to apply in presentations of lectures, our group decided to think on behalf of different parties in this case and the compare what we learned from both sides in the next meeting to figure out the main conflict between two parties. For the member who stood on the side of Kimberly-Clark, she searched the information through KC's annual sustainability reports since 2004 (the year when the campaign was launched) to identify KC's arguments about their efforts in sustainability. Meanwhile, the member who played the role of Greenpeace searched the contents on Greenpeace website, and collected information about Greenpeace's basic facts, their victories in the previous campaigns, and the arguments they proposed and the actions they took to attack Kimberly-Clark. Furthermore, the other team member stood in the middle ground to examine the process of how the two parties came to an agreement and trace the consequences coming after the agreement. We wrote our own reflection on behalf of the roles we played, and these texts makes up the majority of the history reviews part in this report.

Information Integration

The second meeting began with the arguments comparison between two parties, and we gained two important findings. The first is the contrast of the communication actions between two parties, as Greenpeace launched a series of well-organized and emotion-arousing activities, KC's responses were restricted in the sustainability reports publication and a few forceless public arguments from its management level, and as a result, we confirmed two of our learning objectives are about crisis management and CSR communication based on this finding. Another finding is the conflicts of the arguments that presented by two parties. For example, KC's 2004 annual sustainability report stated that their products contained certain percentage of recycled fibre, while Greenpeace claimed that KC had no consumer products containing recycled fibre in 2004. The information conflicts brought about the first

challenge, that is, which side should be trusted? Then we come to check the process of partnership establishment, but neither of them admitted there were fake information in their previous arguments. Therefore, it leaves us with the question that whether we should trust the arguments from Kimberly-Clark since we have to present and discuss the case in the name of Kimberly-Clark in the end.

Besides, after the information integration, all of us returned to the identity of case writer and started to structure and compose the report. During this process, as we gained more understanding of Corporate Brand Identity and Reputation Matrix (CBIRM), we defined and align the brand of Kimberly-Clark into this model to examine how the Kleercut campaign consequently affected KC's reputation.

With an integrated history review and specific learning objectives, we write the assignment and prepare the presentation almost smoothly, except two challenges - the first has been mentioned before, that is, we have to decide which party to trust when it comes to information conflicts. The second challenge is as the case has ended in a peaceful manner 6 years ago, we have already had an practicable answers for the managerial decisions, but we focus on the case in the timeline before the agreement was reached. Hence, we will keep the "hostile" status to Greenpeace when conducting the presentation to the class, and we also want to come up with distinctive maybe innovative opinions about managerial decision through the discussion.

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Appendix

Exhibit 1 Corporate Brand Identity and Reputation Matrix (Urde, 2013)