

The (not-so-honest) Honest Company



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CASE

1. The Honest Company Overview

1.1. Jessica Alba

Jessica Alba was born on the 28th of April 1981. She was a sick child who spent a lot of time at the hospital, she says she remembers how terrible it was (Youtube, 2015). Her acting career took off when she was 12 years old, with the movie camp nowhere. Her breakthrough came in the early 2000s with a lead role in the science fiction series Dark Angel, directed by James Cameron. The series only lasted for two seasons, but it earned Alba a golden globe nomination, the teen choice award, and the Saturn Award for best actress. Between 2000-2008, she went from her breakthrough to reaching the A-list celebrity status. During this time her most notable movie appearances were in Honey (2003), Sin City (2005), which gained her the MTV Movie Award for sexiest performance, Fantastic Four (2005) and The Eye (2008) (IMDb, 2012). Alba continues to act until this day with her latest movie appearance this year (2015) in Entourage (IMDb, 2015).

Alba has won numerous awards for her beauty and was ranked no. 1 on Maxim's Hot 100 list in 2001 (WatchMojo, 2015). Since then, she has continuously appeared on ratings of the most beautiful women in the world. She has become renowned for her beauty and has played many sexy roles over the years. According to Alba's own market research, she is very popular in the 18-25-year-old male segment, where she has become a Hollywood sex symbol. However, in the 15-35 female segment she found that she was very popular in beauty (Youtube, 2015). When she made these findings she had already been the face of L'oreal in 2002-2003 and the face of Revlon several years later (Youtube, 2010; Youtube, 2014).

Although Alba comes from a very conservative family, she describes herself as a feminist and a liberal, who takes an active stance for gay rights and supports many different charities. Some of the numerous charities Alba has chosen to support are, National Center for Missing and Exploited Children, SOS Children Villages, Step up, and Habitat for Humanity (looktothestars, 2015). In 2007, she also appeared in a video supporting international fund for animal welfare (Youtube, 2007).

In May 2008, Jessica Alba got married to her boyfriend of many years, Cash Warren, who she had met on the set while filming the Fantastic Four. In June the same year, Alba gave birth to her first daughter the same year. In 2011, Alba gave birth to her second daughter (Biography.com, 2014). Alba emphasizes that she is a devoted mother whose priority is spending time with her family. She states that "being sick as a child has motivated me to do everything in my power for my own daughters to be healthy and happy" (Youtube, 2015). Alba has released a book called The Honest Life where she gives advice on how to create "the happiest and healthiest life for her and her family". In the book, she shares her tips on how to stay organised "so you can spend less time trying to find things and more time with your family" (Youtube, 2013).

1.2. The Honest Company

1.2.1. The Company – When, Why & Against Whom?

The Honest Company was co-founded in 2012 by Jessica Alba, Christopher Gavigan, Brian Lee and Sean Kane in order to respond to the set of uncovered market needs when it comes to the truly ecological and chemicals-free cosmetics for babies (The Honest Company, 2015a). Jessica Alba discovered the untapped market potential herself as she got an allergy from one of the popular washing powder brands when pre-washing the onesies gifted for her first child during the baby shower (Forbes.com, 2015). That unpleasant event has urged the actress to search for hazardous substance free baby-care products. As Alba herself has been a highly skin sensitive kid, she understood well how important it is to provide all the mothers with a range of reliable, safe, but still affordable baby-care products (Forbes.com, 2015).

The “raison d’être” of the company can be easily drawn from the statement of the co-founders placed on the Honest’s webpage. Namely:

“We both [the co-founders] wanted an ideal: not only effective, but unquestionably safe, eco-friendly, beautiful, convenient, and affordable – everyone should have it. We believed every baby deserved the best we can create for them. We are dreamers.”¹

As a matter of fact, the company aims to position itself as an eco-friendly, sustainable, and perhaps the most importantly, responsible business. The Honest Company does not allow for any compromise or oversights when it comes to the baby care products. Both of the founders speak as parents to parents, highlighting their own need for a development of the products, as the market failed to fulfill their expectations. Moreover, the company wants to make a change; its products are supposed to revolutionize and bring relief to all the parents whose bathrooms were filled in with mainstream brands of cosmetics consisting of harmful ingredients. *“Together we can make it better”* as the company’s tagline says. In addition, the Honest wants to be an inclusive brand and allow all the parents to shape the company.

Thus, it can be inferred that the name “Honest” has been selected in order to convey the message of sincerity and trustworthiness of the products offered by the company. Moreover, its simplicity contributes to the overall approach of the business towards full transparency, “easiness to understand” and simply being different from all the competitors in a form of the big MNCs.

It is important to mention that the great degree of the success can be ascribed to the lifestyle features of the Honest brand and its complementary product line. For this reason, the brand communication is native to social media such as Facebook, Instagram, Twitter and Pinterest. It not only allows for direct communication with the parents but also allows to

¹ <https://www.honest.com/about-us/our-story>

build a solid base of brand ambassadors providing the product reviews on the Honest's social media profiles.

1.2.2. Product Range

The company offers a wide selection of baby care products from diapering through personal care, cleaning, vitamins, food up to gears and accessories. The principle behind all of the products is to provide toxic free cosmetics that are in line with the assumptions of sustainability concerning all the dimensions of business activity (The Honest Company, 2015a). It includes eco-conscious product development, re-usable packaging, protection of the environment and natural resources, toxics reduction, energy efficiency, mitigating the carbon footprint, supporting solidarity and peace, human rights protection as well as seeking suppliers who act in a similar manner. In other words, the offering is fully in accordance with "honest" principles equally as with the modern parenting trends. The latter is understood as parents who want their children to be brought up in the most natural way, free of chemicals and clean environment. The products are also anti-allergic, and the origin of its components can be easily traced on the company's webpage.

At this point, the company is also operating on the international market. The Honest products can be purchased with delivery directly on the company's webpage as well as found in the traditional retailers, pharmacists, and obviously, online stores (The Honest Company, 2015c). The prices for the most representative "baby goods" purchased from The Honest equal USD 13.95 for a 44 pieces box of diapers, size one, and USD 11.95 for organic baby powder. In comparison, the prices of leading brands in the category are correspondingly USD 8.97 for a 44 pieces box of diapers, size one, and USD 4.50 for baby powder. A customer ordering a box of diapers from the Honest is additionally given a choice of 26 different prints that decorate the product. Currently, the company expanded the existing offering to more than 80 products (Foundation, 2015) and does not allow to sell them on Amazon since that channel lacks conveyance of appropriate customer experience and maintaining the relationship (Boorstin, 2015). On the top of that, the company provides an innovative solution for all the parents who are tired with buying diapers in the traditional stores. The Honest offers the USD 79.95 "diapers and wipes bundle" of six jumbo packs of the Honest diapers and four packages of the wipes delivered directly to the parent's door during six month period (The Honest Company, 2015b). The bundle can be ordered only at the company's online store.

1.2.3. Market Value & Performance

During the first year of selling the diapers, the business has managed to earn USD 10 million of revenue, while in 2014 it was at the level of USD 150 million. In 2015, the company was valued at USD 1.7 billion (Zarya, 2015). Interestingly enough, the Honest has been founded with USD 6 million capital (Newsmax, 2015).

The greatest stake of the company's profits comes from the online sales, mainly thanks to the USD 79.95 monthly set of wipes and diapers (Forbes.com, 2015). Recently, the company grew the number of its employees from 250 to 320, the same holds for the overall number of SKUs that augmented from 450 to 625, as well as the retail base that increased from 2800 to 3500 stores (Boorstin, 2015).

The above gives proof of a great success of the business achieved via rapid expansion. It also illustrates how much the market was scarce of the toxic-free baby care products. Other than that it can also be concluded that parents believe in the narrative provided by the company, and decide to purchase its products for the most valuable "resource" they have in their lives – their kids.

1.2.4. Future Expansion

In June of 2015, Jessica Alba announced that on September 9th, The Beauty Company is going to expand its firm's portfolio by launching a new cosmetic line called Honest Beauty (Reed, 2015). Honest Beauty will offer women luxurious, but affordable, makeup and skincare products consisting of natural ingredients such as aloe vera or chamomile, for instance (Pal Sinha, 2015). In order to build an Honest Beauty team, Alba raised \$100 million (Garcia & Alesci, 2015) and collaborated with 50 specialists, such as Kristin Mason, a co-founder of other cosmetics company Delux Beauty, to create a successful brand extension that could compete with high-end beauty product producers (Medina, 2015).

Besides that, an IPO is one of the major aims of the company for the upcoming years. The Honest is also looking for investors that would raise the capital in order to sustain future expansion (Mail Online, 2014).

The current goals of the business are focused around becoming more reachable for families as well as expanding the sales activities to the traditional stores. The company long-term aim is to become *"the number-one trusted global family lifestyle brand for the new generation of consumers"* (Foundation, 2015).

Apart from that, the company is preparing to conquer the Chinese market with its products. The size of that emerging market along with the new model of Chinese family searching for organic products for their children are supposed to be the key strategic consideration for the business (Boorstin, 2015).

2. The SPF 30 Sunscreen Lotion

In late summer of 2015, the Honest company faced their first major problem when several people flooded the social media with photographs of sunburns occurred after using the Honest's SPF 30 sunscreen lotion (Kroll, 2015) (See Appendix 1.). Even though the company

advertised the sunblock as a safe and reliable skin protection product, according to customers, it turned out to be ineffective despite the proper cream application (Kroll, 2015). Following the online outburst of posts and pictures criticizing the company's sunscreen, on August 3, the Honest Co. released a statement on firm's blog (See Appendix 2.) in which Jessica Alba and Christopher Gavigan announced that the product had been "redesigned for a better application and lighter-weight feel" (Honestly, 2015, n.p.). They also argued that the sunscreen "received the best score possible from the Environmental Working Group (EWG) and that an independent 3rd party had tested the new sunscreen formula against the U.S. Food & Drug Administration's (FDA) protocols. According to the information posted on the company's blog, the test results claimed that the sunblock was "effective and safe for use as an 80 minute water-resistant" (Honestly, 2015, n.p.). However, the FDA does not validate the results itself, but only demands that manufacturers conduct such a test.

As a consequence of the customer dissatisfaction, two lawsuits, each asking for \$5 million, were filed against the Jessica Alba's firm accusing it of selling not only an ineffective sunblock but also questioning how safe the other Honest Co's products truly are (Walano, 2015). The first lawsuit, filed on September 3rd, claims that household goods such as "Honest Diapers, Honest Hand Soap, Honest Dish Soap, and Honest Multi-Surface Cleaner" (Rose, 2015, n.p) contain synthetic chemical compounds and that the products' labels are deceptive. Also, the company faces accusations of performing false advertising (Kindelan, 2015). Alba called the allegations to be "baseless and without merit", stressed the need to educate the customers on how to apply the product and stressed the importance of product's reapplication (Rothman, 2015, n.p.). Also, Alba announced that the company is planning on launching a new platform where customers would be able to watch various tutorials on brands' products (Walano, 2015). The second suit, filed on September 7th, accuses the Honest Company's sunscreen of its inefficiency resulting in consumers' excessive sunburns due to the cream formula modification that limited the content of zinc oxide in the product (Parker, 2015). According to an investigation conducted by NBC Chicago, at the beginning of 2015, the company had reduced the zinc oxide content from initial 20% down to 9.3% while competitors continue using this substance as the main active ingredient containing up to 25% (Parker & Green, 2015). Even though the company received over 200 complaints within less than four months, according to the Honest Company, the complaints posted on the firm's web page counted for less than 0.5% of all the units purchased on the firm's webpage (Parker & Green, 2015).

3. Questions for student consideration

1. What does the crisis situation affect? What are the key concerns?

2. How should the Honest Company manage the social media crisis to prevent any further spill-over?
3. What should be the public statement regarding the allegations?
4. What are the actions that need to be taken to ensure that the company's business model is sustainable?

TEACHING NOTES

4. Case Synopsis

- 2012- The Honest company is founded, Jessica Alba is a co-founder aiming to provide ecological and chemical free cosmetics for babies.
- 2012- The first year the company makes a revenue of 10 million USD
- 2014- Annual revenue reaches 150 million USD
- 2015-The Honest company is valued at 1.7 Billion USD
- June 2015- The honest company announces that on September 9th they will launch a new cosmetic line called Honest Beauty, offering luxurious yet affordable makeup and skin care products.
- Late summer 2015- People start posting pictures on social media of them having burnt skin after using the honest company's SPF 30 sunscreen lotion.
- August 3rd, 2015- The Honest company releases a statement claiming the product had been "redesigned for a better application and a lighter weight feel", that it had received the best score from the EWG, and that a third party's test results against FDA protocols had proved the sunblock to be safe.
- September 3rd, 2015- A lawsuit is charged against the honest company, claiming that household goods contain synthetic chemical compounds and that their labels are deceptive, charges are also made for false advertising.
- Alba responds that the claim has no merit and that customers must simply be educated in product application.
- September 7th, 2015- Second lawsuit due to burns that were acquired after using the honest company's sunblock, claiming that its low level of zinc makes it ineffective.
- The honest company emphasizes that only 0.5% of purchasers of SPF 30 sunblock during the last months had actually complained on the company website.

5. Theoretical Background

To stimulate the class discussion on the Honest Company case students are advised to study prior to the lecture Urde's Corporate Brand Identity Matrix (2013) and Corporate Brand Identity and Reputation Matrix (2015), as well as, Greyser's study on Corporate Brand Reputation and Brand Crisis Management (2009). Urde's models will further students' knowledge about the key elements of corporate brand identity, their correspondence, and influence on organization's communication and reputation while studying Greyser's research will improve students understanding of different corporate brand crisis' causes and the importance of corporate communication in dealing with the crisis consequences.

5.1 Corporate Brand Identity & Reputation Matrix

The stronger the individual elements of a corporate brand identity are, the stronger the organization as a whole is, and consequently, the better the brand performs. The Urde's matrix (2015) (See Appendix 3.), clarifies what the corporate brand identity is, how it is structured, and how it should be built to add value. In general, the framework emphasizes corporate brand identity - reputation management relationship. Urde introduces nine brand facets that are grouped into three horizontal rows identifying three external elements, three internal and external characteristics and three solely internal components, and shows how they are interrelated and linked to eight reputation elements along with brand communications.

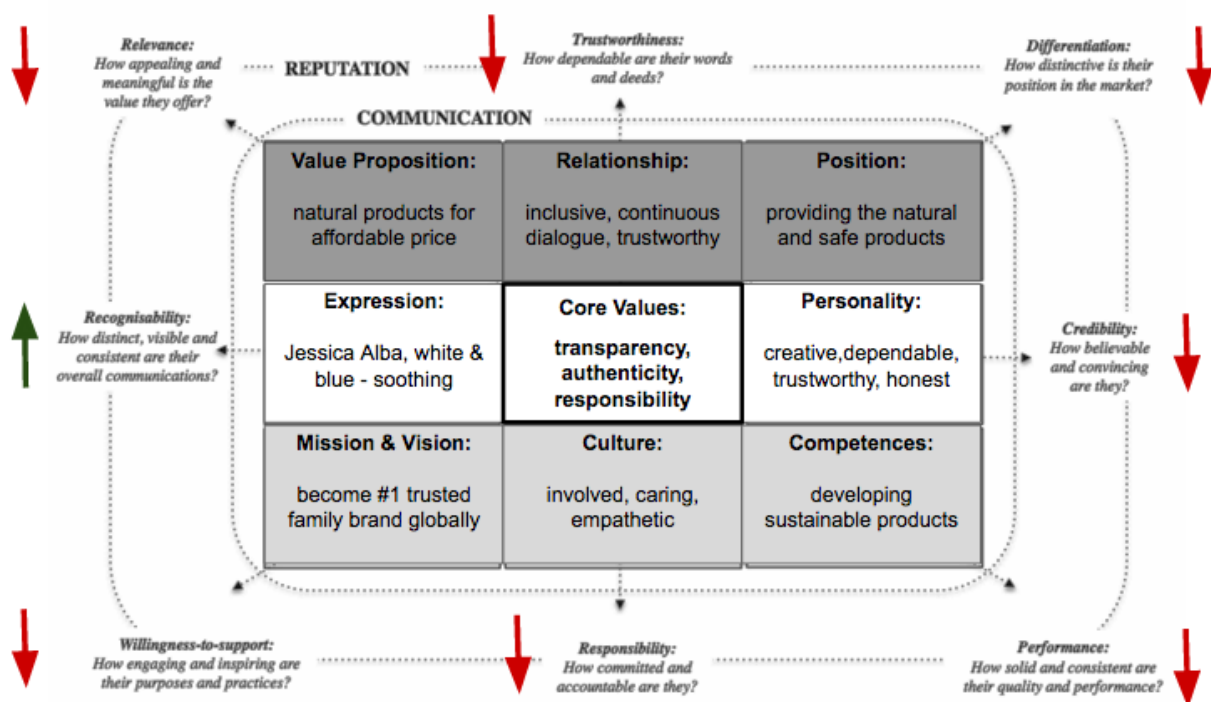


Fig. 1: Adapted from the Corporate Brand Identity and Reputation Matrix (CBIRM), (Urde, 2015)

The CBIRM framework explains how all the elements are aligned and interrelated with reputation, which is stressed as a vital dimension that helps in analyzing and understanding the corporate brand. Since corporate reputation is based on stakeholder's perception of firm's performance, its track record, and is also "externally rooted" (Urde, 2015, p. 14), it is important to understand how all the reputation elements logically match the organization's identity components and how they influence each other. This framework has been used as a management tool in assessing major issues in a crisis and can also assist in identifying all the elements affected by the crisis and the sensitive components of business model. As shown above in figure 1, in regard to the Honest Company all the reputation elements have been severely affected, but recognisability which actually went up due the media spillover effect.

5.2 Corporate Brand Reputation & Brand Crisis Management

According to Greyser (2009), reputational issues may arise in multiple forms and from multiple sources. The most hurtful ones may even affect “the essence of the brand” (p. 592). In this article, Greyser lists main causes and consequences of the corporate brand crisis, as well as, main areas that ought to be examined while evaluating a crisis situation. In case of the Honest Company, not delivering on the safety promise and not being fully transparent about the company’s actions. The research further stresses the need to determine how serious the threat is, what causes it, and whom it involves. The Honest’s core is jeopardized due to its product failure and the fact that it affects the company’s most important stakeholders - parents. Also, Greyser emphasizes the role and importance of corporate communication and authenticity in the crisis management process and suggests key actions that need to be taken. According to him, in order to mitigate the possible reputational threats, companies should focus on generating trust over time since the past and present organizational behavior plays a major role in crisis management. However, a company needs to learn first how their organization’s identity is seen by others so that it knows what can possibly threaten its brand essence. This is especially true in the Honest Company case in the trust rebuilding process.

6. Case Analysis

In order to facilitate the discussion of the case study, the following framework is proposed. Students are supposed to identify and list Key Issues, possible Alternatives and Actions that should be taken in order to propose solution to the case and decide upon managerial decisions to be taken.

Key Issues: within this field students are to recognize key themes of the crisis as well as define its origins. During the class discussion, different components of the crisis situation should be identified along with the plausible consequences for the brand (eg. reputational, legal, financial, strategical, sensitivity of business model).

Alternatives: this section aims at defining business strategy options to mitigate and counteract the effects of the crisis. It discusses how the company should and what are the alternatives ensuing from the topics identified in the Key Issues part.

Actions: here the actual actions that business should undertake, with respect to all the previously discussed dimensions, are proposed. This part focuses on providing clear solutions to crisis situation and, possibly, predicting issues that should be monitored in the future to prevent similar situation.

Please note: the following table represents the possible case solutions, not the only right answers.

Key Issues	Alternatives	Actions
<ul style="list-style-type: none"> • Product failure - SPF 30 sunblock → customers got burnt • ‘Promise-performance gap’? • Not sustaining to the brand promise - does it live up to its name? • Affected brand essence - deterioration in consumer approval and trust towards the product/brand • Honesty and trust is the very core value of the brand, and is really what it is based on, this issue is particularly sensitive for the honest company. • Launch of Honest Beauty jeopardized • Not delivering on health protection function of the product • Social media spill-over • Lawsuits brought against the company • Jessica Alba’s personal image at risk of deterioration • Jessica Alba is closely related with the brand→ she is the company and her name and personality are the identifiers of the Honest Company - she is closely identified with the company’s success • What should be the public statement? • How should make the public statement? • What should be the future actions of the company to prevent from similar situation? • IPO at risk, company value might decrease • Loss of public image • Questioned effectiveness of other Honest Company products • How “natural” are their products? • What does “natural” really mean? 	<ul style="list-style-type: none"> • Jessica Alba versus company spoke’s person public statement • The public statement should be made transparent across all communication channels/limited channels of brand communication • Do not launch the Honest Beauty until the trust is regained • Stop producing cosmetics that require high expertise and are hard to produce as ecological • Establish a settlement to prevent further court allegations if the company feels guilty of the situation • Do not put Jessica Alba & Honest “too close” and too visible against the backdrop of the Honest Beauty • Use the CBRM to determine sensitive cornerstones of the business before & after the crisis. • Invest in market research to see how brand trust and loyalty has really been affected by the events, results for before and after 	<ul style="list-style-type: none"> • Educate the customers how to use the product • Make the public statement by the company spoke’s person. Say “we’re sorry” and in order to be perceived as a fully transparent and worth of trust company, they need to mention that the lotion’s content – amount of zinc oxide – has been changed • Ensure transparency & external quality audits to the new product development • Withdraw faulty products from the market (even if considered good, but consumers do not know how to use them properly) • Implement early response plan to the fragile components of business model • Keep Jessica Alba within the brand identity of the brand as she is a too strong brand herself and too closely related to the company origin • Launch the Honest Beauty, but without highlighting affiliation with the Honest Beauty, nor Alba (at least at the introduction stage) • Openly perform new tests on old products, invest in R&D to find a better solution for sunscreen, do this with transparence

7. The Honest Company Response

In regard to the SPF 30 sunblock controversy, the organization has remained silent. It did not provide any further feedback, data or comments beyond the one statement published on August 3 on their *Honestly* blog, where the company presented its position on the issue. It seems that the company decided to reveal the problem to the public only after many dissatisfied customers raised their voice on social media and demanded answers. The company has adopted a “simple denial” (Roper & Fill, 2012, p. 309) approach to face the brand crisis. They did not admit any product failure claiming that the sunscreen was properly tested and approved by appropriate parties. Even during the latter interviews with Alba, the Honest company co-founder only quoted the arguments previously mentioned in the online statement and preferred to switch the subject to an idea of launching a new platform that would educate customers on different products and their application. As NBC Chicago investigated the case, a Target clerk declared that the sunscreen was discontinued at their store following the incident, there was barely any product available at Nordstrom, and it was also “out of stock” on the company’s web page. Even though it seems that the company decided to pull the sunscreen out of the shelves, the Honest Company claimed that the product “remains available at many retailers, on its website for Honest monthly subscribers with existing sunscreen orders, and has not been discontinued” (Parker & Green, 2015).

Also, the company ended up launching the Honest Beauty line and had their products available for sale on September 10, as originally planned. The Honest Beauty collection offers customers over 80 makeup and skincare products such as “moisturizers, cleansers, sunscreen, eye creams, makeup wipes, and a starter kit containing sample sizes” (Noble, 2015, n.p.). However, the company’s new extension brand was launched under a different logo and received its designated web page that is not linked to the original honest.com - there is no indication proving that this action was done as a result of the sunscreen controversy. Furthermore, Jessica Alba continues to promote the Honest products on various talk shows.

8. Learning Objectives

- Identify the reasons as well as scope of the crisis situation
- Point out components of the crisis
- Define all the stakeholders affected by the crisis situation
- Use available tools and models to understand and solve the problem
- Indicate business consequences for the company during and after the crisis
- Provide arguments and defend proposed solutions
- Discuss with other students different points of view on the crisis situation

- Engage in class discussion
- Present the undertaken decisions leading to solution of the business case
- Think of different scenarios ensuing from particular business decisions
- Decide upon the format of company's public response (eg. who, when and how makes the statement to the public)
- Weigh out consequences and problems of the new product launch during the crisis situation
- Understand the fragile elements of the business model that should be closely monitored in the future in order to prevent similar crisis situations
- Observe similarities and dissimilarities to other business cases discussed in class
- Identify opportunities and threats of celebrity endorsement
- Formulate action plan

9. Teaching Opportunities & Challenges

1. What are the components within the case study that might be considered tough or confusing? How will you handle the discussion of these topics?
2. In what moment the class discussion is at the biggest risk of losing the appropriate direction? How will you manage to bring the class back on the appropriate track?
3. How can you relate to theories and models previously introduced to the class? Can you show a match?
4. What are the issues within the case study that may seem to be counterintuitive, surprising or contradictory to the current learning experience?
5. Can you show interconnectedness with other business fields (eg. finance, strategy, organizational behavior)?
6. How can you capitalize on opposing viewpoints and solutions to the case study proposed by the class to make the case more interesting and highlight complexity of the problem?
7. How can you engage the class members who do not participate actively in the case discussion? Can you ask them questions directly?

10. Case Design

The case is designed for a one-hour lecture.

1. The professor introduces theories related to reputation and crisis management in order to stimulate the class discussion on the Honest Company case (15 minutes):
 - Urde's Corporate Brand Identity Matrix (2013),
 - Corporate Brand Identity and Reputation Matrix (2015),

- Greyser's study on Corporate Brand Reputation and Brand Crisis Management (2009).
2. The pre-discussion presentation part of the lecture (in total 15 minutes):
 - The case will commence with a brief presentation of Jessica Alba as a person and celebrity, this will be a brief overview of her personal and professional life, that has shaped her present day image,
 - A short overview of how the honest company came to be and what it stands for, this will also take a few minutes,
 - The sequence of events this summer leading up to the lawsuits will be covered in greater detail, since it is the main area to be discussed in relation to the issues alternatives and actions of the actual case.
 3. The class discussion (in total 15 minutes):
 - The class discussion will start by asking the following two questions in the presented order:
 - What should be the role of Jessica Alba in the Honest Company and during the crisis? (Co-founder, brand ambassador, spokesperson/PR)
 - Should the Honest Company launch the Honest Beauty as planned? (i.e. should the company launch the new line now, or should they build the trust first; should they use the name "Honest"?)
 - The professor writes on a white board: *Key Issues, Alternatives, Actions*,
 - Students' responses and comments are documented on the board.
 4. The Honest's response (in total 5 minutes):
 - After the class discussion the professor will reveal what the Honest Company actually did,
 - Also, the professor can ask the final questions whether the sunscreen controversy affected the brand's image (short-term and specific perception) or its reputation (long-term and general perception).
 5. Class comments on the company's response (in total 5 minutes):
 - The class is supposed to realize the gap/overlap between their managerial decision and the Honest Company's one.
 6. Key takeaways (in total 5 minutes):
 - The professor shows how many business concepts interrelate with each other (i.e. celebrity endorsement, naming issues, launch decisions and sustaining the business values).

11. Reflection

As assigned in the Corporate Brand Management and Reputation class we started investigating several managerial crisis situations to focus on in our case study. We defined three possible examples displaying managerial issues to be analyzed and discussed. These three were, Malaysia airlines, and its two plane crashes in 2013, the Honest Company's SPF 30 sunscreen controversy, and Perrier's water contamination scandal. Following the meeting with our supervisor, Dr Mats Urde, we decided to chose the Honest as it was the most recent and the least explored topic. This made us realize the importance of originality and providing contributions to the academic world.

Our case study writing was then divided into multiple sections which we focused on individually. Following we met to exchange comments and information in order to align the different parts of the case. During that meeting we designed a schedule that reinforced the systematic work progress and assigned each group member more sections to cover the remaining parts. At this point we realized how crucial it is to understand what needs to be known to supply students with the greatest information spectrum. At the same time we wanted to ensure that students analyzing our case would be encouraged to overcome learning challenges. This further convinced us of the absolute necessity of cogently structuring the case to provide students with a clearly structured text. Next we combined our individual parts into one document, we realigned all the sections, and sent it over to our friends for a test run.

After the initial test run we realized that our questions were leading the reader to the obvious conclusions and did not stimulate them to obtain a broader perspective on the issue. This was a valuable insight that enabled us to redesign the questions and put them on the right track. We also realized that our original class discussion structure, where we wanted to ask three questions related to different stages in the crisis, was too complicated to execute. Thanks to this feedback we learned the importance of simplicity, this case itself should be simple to follow but the questions should challenge the student. Moreover, based on the gaps between the initial questions and the final ones we began to redesign the in class case discussion.

From studying the case we gained further insight into the applicability of corporate reputation and responsibility models and theories. We learned how to think in terms of developing scenarios and possible solutions to the case achieved from different perspectives. Thanks to inspiration gained during the duration of the course and the practical guest presentations of real management issues. All of the above contributed to our two-fold perception of the case study building process, not only the solution part we students have been most exposed to.

Appendix

Appendix 1. Pictures posted on the Internet





The Honest Company - Sunscreen Lotion
SPF 30, 3 Fl Oz

★☆☆☆☆ **DO NOT BUY THIS PRODUCT unless you like to look like a lobster**

By [A. Hughes](#) on Aug 02, 2015

My family of 5 used this sunscreen yesterday and all 5 of us are very burnt. You might as well slather yourself in baby oil because that is how well it works!

Was this review helpful?

Helpful (0)

Not helpful (0)

Images in this review



The Honest Company - Sunscreen Lotion
SPF 30, 3 Fl Oz

★☆☆☆☆ **Horrible product! We went to Hawaii with our kids**

By [Jaymie Chapman](#) on Jul 30, 2015

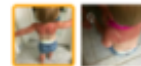
Horrible product! We went to Hawaii with our kids. We sat at the pool for a few hours. Everyone used honest sunscreen and continued to reapply the sunscreen. It was like we used baby oil! We were all extremely burnt! Especially my little 2 year old! She had blisters on her shoulder! It is so sad! Worst product ever!

Was this review helpful?

Helpful (5)

Not helpful (1)

Images in this review





The Honest Company - Sunscreen Lotion
SPF 30, 3 Fl Oz

★☆☆☆☆ I was very good about reapplying on my kids every 2 hours in ...
By frogger90 on Jul 09, 2015

This is one u need to be able to put zero stars! Extremely greasy, hard to rub in, and impossible to wash off. I was very good about reapplying on my kids every 2 hours in the sun and they still got burnt and badly! My daughters back looked like a tomato and even blistered in one spot! I started talking to friends about it and turns out they had the same problem. It goes for all honest company sunscreens including the ones now saying new and improved. There is no way Jessica alba uses her own products on her kids or she would find this out and I would hope pull it off the shelves till they greatly improve on it. Worst sunscreen ever!!!

Was this review helpful?

Helpful (18) Not helpful (0)

 **THE MAN** @DJ_DTM Follow

My best friend used @jessicaalba #honest #sunscreens - after about 40 minutes in the sun she looks like this #SunBurn



1:42 PM - 2 Aug 2015

Appendix 2. The Honest Company Statement posted on company's blog *Honestly*

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3

INSIDE HONEST A MESSAGE FROM THE FOUNDERS

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Protecting our loved ones and yours is the reason we founded The Honest Company. As parents, it pains us to hear that anyone has had a negative experience with our Sunscreen. We develop and use Honest Sunscreen to protect our own children – Honor, Haven, Luke, Evie, and Poppy – at the park, in the pool, outside, every day. As with everything we do, we take sun protection seriously here at Honest.



We have a dedicated team of Honest employees, parents, and partners who carefully reviewed our Sunscreen product to make sure that it meets our highest standards prior to release. Our previous Sunscreen formulation had a 40-minute water resistance and customers told us that it didn't apply as easily as they would've liked. Based on our own experience and consumer feedback, we redesigned our Sunscreen Lotion for 80-minute water resistance and an improved formulation that allows for easier application and a lighter-weight feel.

We've gone through extensive third-party testing in accordance with government regulations and our Sunscreen Lotion passed all SPF 30 testing requirements. It also received the best score possible from the Environmental Working Group (EWG). We care about taking every precaution possible to ensure that your product experience will keep you healthy and happy.

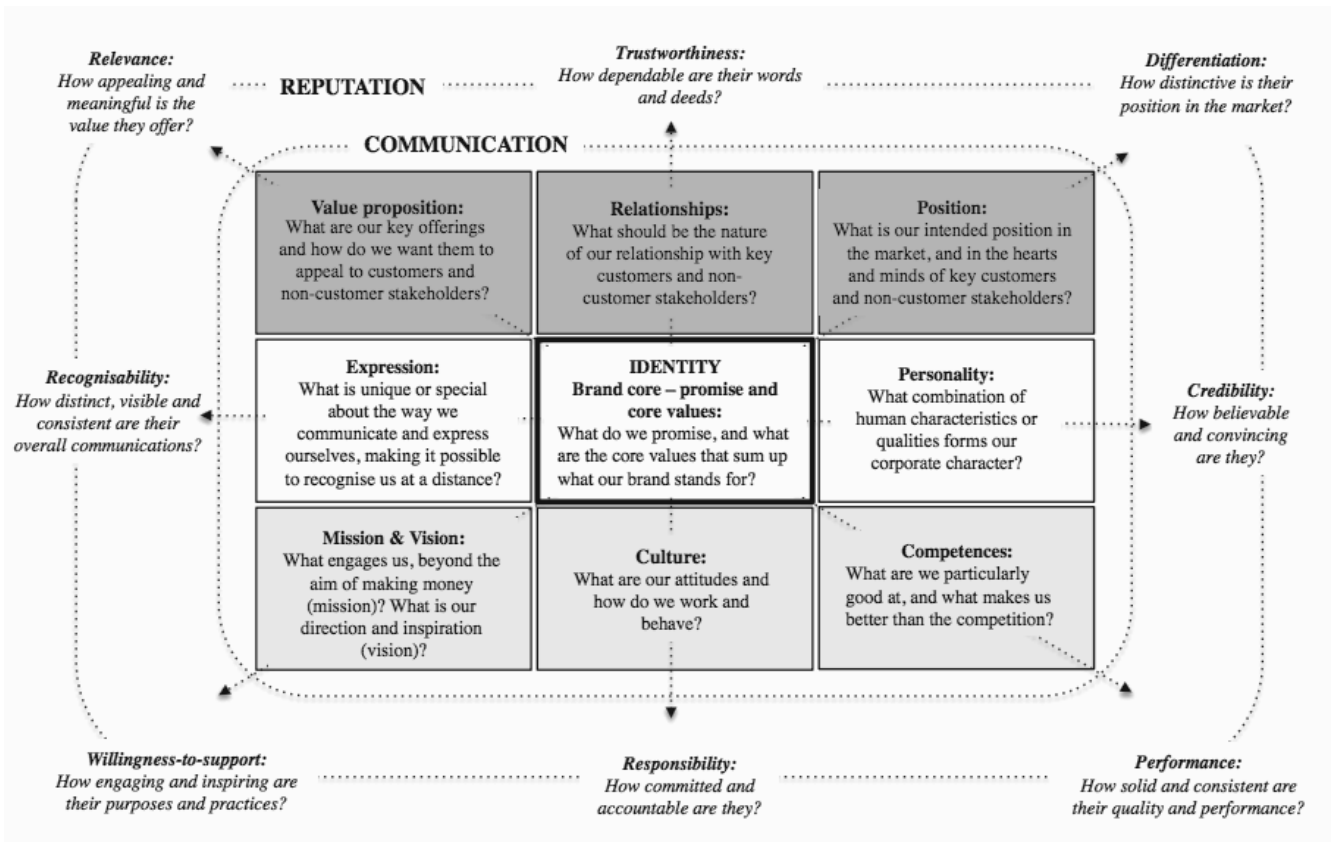
That said, what matters most to us is your trust and confidence. We're passionate about living up to your expectations as much as our own. We've personally picked up the phone to speak with many of you who have called our customer service hotline. Our team is reaching out to everyone who has posted on social media to assure you that we're committed to your safety and satisfaction. For those who have expressed concerns about our Sunscreen Lotion, we want you to know that we hear you and we're here for you. As always, we'll do what it takes to make it right. You can reach us at: 1.888.862.8818.

Honestly,

Two handwritten signatures in black ink. The first signature is 'Jessica' and the second is 'Christopher'.

Jessica and Christopher

Appendix 3. The Corporate Brand Identity and Reputation Matrix (CBIRM), (Urde, 2015, p. 23)



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