

# CORPORATE BRAND MANAGEMENT AND REPUTATION

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## MASTER CASES

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### SeaWorld vs Blackfish: Will The Orcas Sink The Animal Theme Park Into Oblivion

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First Edition  
Student Case Papers

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## **Corporate Brand Management and Reputation: Master's Cases**

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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# SeaWorld vs Blackfish: Will The Orcas Sink The Animal Theme Park Into Oblivion

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## WRITTEN CASE

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## MANAGEMENT DECISION CASE

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### SeaWorld vs Blackfish

When Joel Manby was appointed as the new CEO of SeaWorld Parks & Entertainment in March 2015, the park was looking back on some turbulent years. Did he feel excitement and motivation or maybe pressure and concerns?

4 months earlier CEO Jim Atchison resigned after failing to save SeaWorld's reputation which had been severely harmed after the release of the documentary *Blackfish* in 2013. *Blackfish* revolves around one of SeaWorld's killer whales, Tilikum, and highlights the psychological damage brought upon the animals when kept in captivity. The documentary, directed by Gabriela Cowperthwaite, was created after questions arose regarding the death of SeaWorld Orlando's senior killer whale trainer, Dawn Brancheau, 3 years earlier.

Prior to the documentary and the death of their senior trainer, SeaWorld Parks & Entertainment's reputation was positive, clean and white. Then, within a short period of time the two events bruised its reputation and left enormous black stains - exactly like those on the body of its main attraction: the orcas.

The consequences the company had to face were critical. SeaWorld's net income dropped from \$37.4m in 2014 to \$5.8m in 2015 (84% decrease), their revenue reduced from \$405m to \$392m and attendance rates lowered by more than 100,000 visitors - from 6.58 million to 6.48 million. Though, these factors are detrimental by itself, the executive team is aware that it is caused by a poor image among a wide variety of stakeholders. If the new CEO, his board members and senior management do not come up with a strong brand management plan the corporation's viability will be at high risk.

## **SeaWorld Parks and Entertainment**

SeaWorld Parks & Entertainment is a subsidiary of SeaWorld Entertainment, Inc. and has been a leading theme park and entertainment company for over 50 years. Additionally, the company prides itself on being a leading zoological organisation and setting a standard for animal welfare, training, husbandry and veterinary care. Currently, the corporation has one of the largest animal collections in North America.

SeaWorld Parks & Entertainment has 11 theme and attraction parks under its name which draw on average 22 million guests a year. It started with Bush Garden in 1959, a bird sanctuary. In 1964 SeaWorld was founded and in 1980 Sesame Place opened. Both SeaWorld and Sesame Place are built on the philosophy of learning through entertainment which is embodied in their shows, rides and events.

In 2011 the brand expanded itself beyond theme parks and started producing movies, TV shows and digital entertainment platforms. The brand extension's goal is to further connect people with nature and animals.

### **SeaWorld**

SeaWorld was originally planned as an underwater restaurant but the concept ultimately developed into a marine zoological park. Following the corporation's core values of inspire, educate, enlighten and connect, the park offers its visitors up-close animal encounters and educational attractions. There are currently 3 SeaWorld Parks situated in Orlando, San Antonio and San Diego. Additionally, the corporation announced plans to open another SeaWorld in Abu Dhabi which is planned to be completed by 2022.

Besides its entertainment value for visitors, SeaWorld has accomplished multiple achievements in regards to animal rehabilitation and conservation. In cooperation with the National Marine Fisheries Service, SeaWorld has rescued around 29,000 animals, including manatees, dolphins, pilot whales, sea turtles, and sea birds. In addition, the park could claim the first birth of a killer whale in captivity, the first birth of a marine mammal via artificial insemination, and the first hatching of captive green sea turtles.

### **SeaWorld's Main Attraction: The Killer Whale**

To date, the company houses 28 killer whales in its three parks offering millions of people the opportunity to see orcas up-close and learn more about marine animals, the oceans and the environment.

In addition, SeaWorld works directly with scientists and researchers to not only

extend their knowledge but also improve the animal's' well-being inside and outside of the parks. For example, the company announced a partnership with The National Fish and Wildlife Foundation to create a Killer Whale Research and Conservation Program as part of a \$10 million commitment to support research that helps protect killer whales in the wild.

However, due to the release of the documentary *Blackfish* on January 19th, 2013, SeaWorld got accused of mistreating captive killer whales causing a crisis that damaged the company's reputation.

## Summary of Blackfish Documentary

The documentary *Blackfish*, directed by Gabriela Cowperthwaite, was first released in the U.S.A. at the Sundance Film Festival. The documentary was later bought by Magnolia Pictures and CNN who released it in cinema and broadcasted it on public TV later that year. Besides being critically acclaimed, *Blackfish* won several prizes and was nominated for numerous prestigious awards like the BAFTA award for Best Documentary in 2014.

*Blackfish* tells the story of Tilikum, one of SeaWorld's killer whales, that killed three people while in captivity. Besides the focus on his life, the documentary uses real life footage and interviews with former trainers to explore and explain the physical and psychological damage brought upon the animals while being held captive. It also highlights the lives and losses of the trainers and the questionable interests of the marine-park industry.

Tilikum, the largest whale that has ever been held captive, was caught in the ocean and separated from his family at two years of age. After spending a year in a little tank in a zoo in Reykjavík, he was moved to Sealand of the Pacific in Canada where he was trained for performance. The first accident happened in 1991, when one of the trainers slipped and fell into the pool of Tilikum and two other killer whales. The trainer was pulled down and tossed between the three killer whales until she drowned. Thereafter, Tilikum was sold to SeaWorld Orlando where he was responsible for two more deaths. The first was a visitor who trespassed his enclosure and went into his pool after closing hours. 11 years later Tilikum grabbed and killed senior SeaWorld trainer Dawn Brancheau, just after performing in the orca show. The death of the latter drew the director's attention and was the trigger for the creation of the documentary.

*Blackfish* points out that in captivity, the killer whales, who usually swim around 160 km a day, are kept in pools that are not much bigger than an Olympic size swimming pool. Often, they are kept with several other killer whales which leads to a high level of aggression - an attitude never observed in nature. The documentary also explains that killer whales are highly emotional beings that have a strong bond with their family. In the case of Tilikum it is therefore argued that the separation from his

family, his life in a small pool and the aggressive behaviour of the other killer whales could have led to major psychoses.

Although the documentary was not meant to be a piece of activism, it questions the concept of keeping killer whales in captivity for entertainment purposes which has caused the wider society to rethink the current relationship between humans and animals and the dominant role they play in this matter.

## **A Crisis Unfolds**

### *Phase 1: The first fatal incidents*

**1991 - Sealand, Canada:** Sealand trainer Keltie Byrne slipped and fell into the pool of three killer whales who pulled her under until she became non-responsive. Tilikum was the main culprit and is transferred to SeaWorld Orlando a year later.

**1999 - SeaWorld, Orlando:** A trespasser is found dead on Tilikum's back. SeaWorld told the press he remained in the park after it closed and slipped in Tilikum's pool who thought he was a toy. However, reports show that he was mauled and mutilated.

### *Phase 2: The death of Dawn Brancheau*

**February 24, 2010- SeaWorld, Orlando:** Tilikum grabs senior trainer Dawn Brancheau during a one on one session and pushes her around under water. It takes SeaWorld 27 minutes to call paramedics which is too late to save her.

The accident happened after the show "Dine with Shamu" during which, according to witnesses, the trainers experienced difficulties with getting the whales to perform [Exhibit 1].

**August, 2010:** SeaWorld gets fined US\$75,000 by the Occupational Safety and Health Administration (OSHA) for violating three regulations regarding employee safety. As a consequence, trainers are no longer allowed to be in close proximity of the killer whales without physical barriers both on and off stage.

**August-September, 2010:** Several former employees take legal actions against SeaWorld. They allege that they were forced to obstruct the OSHA investigations, manipulate documents and make witnesses unavailable. Additionally, a family that attended the show on February 24th sued SeaWorld for rude managerial behaviour and remaining nightmares. They demanded monetary compensation and for Tilikum to be freed.

**February, 2011:** Three former SeaWorld trainers come forward about the dangers of working with killer whales and publicly state SeaWorld should be held responsible for the death of Dawn Brancheau [Exhibit 2].

**October, 2011:** People for the Ethical Treatment of Animals (PETA) sue SeaWorld for enslaving the five killer whales, calling upon the 13th Amendment regarding slavery. The amendment was later overruled as it is only applicable to human beings.

**January, 2012:** Former SeaWorld trainers launch a website aimed at highlighting interviews and events that regard conservation and activism towards marine mammals such as dolphins and killer whales kept in entertainment parks.

### *Phase 3: The “Blackfish Effect”*

**19 January, 2013:** Gabriela Cowperthwaite showcases her documentary *Blackfish* for the first time at the Sundance Film Festival. Three days later, CNN and Magnolia Pictures acquire the rights to the movie.

**July, 2013:** Magnolia pictures starts releasing the movie in theatres across the US.

**August, 2013:** Pixar changes the plot of *Finding Dory* due the controversy stirred by the documentary.

**October, 2013:** CNN broadcasts *Blackfish* on domestic public television.

**October, 2013 – January, 2014:** SeaWorld experiences protest at several parades in which the company had a float as well as in front of the park [Exhibit 3]. Additionally, the amount of negative word of mouth on social media keeps rising. Animal-rights activists, among which PETA and The Oceanic Preservation Society, were often the leaders in these protests.

**December, 2013 – September, 2015:** Multiple musical acts cancel their shows and celebrities urge fans on social media to boycott SeaWorld. Furthermore, several companies such as Southwest Airlines, Taco Bell, Hyundai and Virgin America & Alaska Airlines end their partnership with SeaWorld.

**April-July 2015:** Numerous lawsuits are filed against SeaWorld for various reasons e.g. violating advertisement laws through false and misleading statements and renegeing on safety regulations. In addition, PETA discovers that a SeaWorld employee posed as one of their animal rights activists for years to pass information onto SeaWorld.

**December, 2015:** California bans the breeding of killer whales and using the animals in theatrical shows.



## Managerial Questions

As shown above, two major events have hit SeaWorld during recent years: the death of one of their best and most experienced orca trainers and the release of the extremely critical documentary *Blackfish*. The documentary has led to negative attention worldwide, which resulted in an outbreak of an ethical and moral discussion about the captivity of wild animals, in particular their usage for entertainment purposes. SeaWorld's identity and reputation is at high risk.

For this reason, the reaction of SeaWorld at these two critical events, has major consequences for the future of the park. Respectively, the following managerial questions should be asked:

1. Which actions should SeaWorld take after the death of a senior staff member?
2. Which actions should the company take to save its reputation after the release of the documentary?

## Exhibits

**Exhibit 1.** Dawn Brancheau with one of the killer whales at SeaWorld.



**Exhibit 2.** Former trainer speaks out about SeaWorld and the killer whale show.



**Exhibit 3.** Public protests in front of SeaWorld.

