

CORPORATE BRAND MANAGEMENT
AND REPUTATION

MASTER CASES



**(Un)coolest Monkey in the Jungle -
When Ads Turn Against Their Creators**

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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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(Un)coolest Monkey in the Jungle - When Ads Turn Against Their Creators

WRITTEN CASE

MANAGEMENT DECISION CASE

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(Un)coolest Monkey in the Jungle

Karl-Johan Persson, CEO of H&M since 2009, is heading towards the H&M head office on the 15th of January 2018, thinking about the fact that his company is likely to be one of the currently most hated in the world due to the events of the previous week. After many years of growth and success, H&M is facing a number of challenges at the moment. The stock value of the Swedish fast fashion giant has decreased dramatically during the last years, physical stores had to close down due to low sales volumes and this latest “advertising blunder” is not making things any better. Karl-Johan is thinking about how to turn this negative trend around and handle this new problematic situation. However, if it is any comfort - H&M is not alone in being in the spotlight for advertising blunders, but are accompanied by fellow fashion retailers such as Zara and Mango.

Background and History

H&M

Hennes & Mauritz, known as H&M, was founded by Erling Persson, grandfather to the current CEO Karl-Johan Persson, in 1947 when the first fashion store was opened in Västerås, Sweden. From the start, pioneering fashion at low prices has been part of the unique value proposition. Today, H&M is a leading global retailer within the fast fashion industry with 4,288 stores in 69 countries, and an online presence in 43 markets. The H&M group consists of several fashion brands, in addition to the H&M brand, each with their own unique identity: Monki, Weekday, & Other Stories, ARKET and Cheap Monday. Additionally, H&M Home was launched a couple of years ago and takes the brand into a new category focusing on interior decoration. The main characteristics for all the brands within the H&M group are a passion for fashion, with a sustainable approach to quality and design. The group’s turnover in 2017 amounted to 23 billion EUR.

Zara

Zara is a Spanish fashion retailer and part of Inditex which is one of the largest fashion retail groups in the world. The first Zara store opened in 1975 in A Coruña, Spain. The company's key values are clarity, sustainability, beauty and functionality. Current top priorities are to create responsible and attractive fashion and to offer high-quality customer service. Zara is known for having short lead-times in getting the latest items to the consumer, with a typical production process of only two weeks. Zara has physical stores in 94 markets, and an online presence in 44 markets. In 2016, Zara's turnover amounted to 15,4 million EUR.

Mango

Another Spanish fast fashion retailer is Mango, which opened its first store in Barcelona in 1984. A very small team of founders started this business based on a just-in-time production philosophy. Mango aims to be present in all cities around the world and their number of new chain-stores truly confirms their achievements on a global level. Today, the company has 2,200 stores in 109 countries and an online presence in 83 markets worldwide. The company values are focused on human warmth, harmony and humility. Mango's main objective is to offer fashionable garments at a reasonable price for mainly female, young and trendy customer segments. In order to keep pace with the latest fashion trends, Mango constantly launches new limited edition collections in cooperation with top fashion designers. Mango's revenue amounted to 2,23 billion EUR in 2016.

The Incidents

Karl-Johan Persson was not the first CEO in the fashion industry to experience a crisis due to an inappropriate design. Both Mango and Zara had already undergone such a crisis before and H&M also had to deal with a similar incident four years ago (see Exhibit 2 and 3 in the Appendix).

2018: H&M Sweater

As a part of a new collection, H&M introduced a kids' sweatshirt with the printed text "Coolest Monkey in the Jungle". In online advertisements, a young black boy is seen wearing the sweater, standing next to a white boy of the same age wearing a sweatshirt with the text "Survival Expert". A blogger shared the advert on Twitter with the comment: "Whose idea was it @hm to have this little sweet black boy wear a jumper that says 'coolest monkey in the jungle'?"¹ and thereby started a controversial discussion of the ad. The post spread like wildfire and got retweeted 14,000 times within a day, causing outrage on social media around the world with comments such as: "Wow. I mean, put it on a child of literally ANY other race. How did NO ONE

¹ <https://www.thesun.co.uk/news/5343029/liam-mango-hm-monkey-hoodie-mum-says-not-racist/>

consider this is inappropriate? Not the photographer, stylist, creative director, editor... I truly wonder if anyone raised a concern that was ignored or they are all just stupid.”². Hence, H&M is being heavily criticised and accused of being racist with people demanding a boycott of the company. Issues related to race and the division between black and white is an especially sensitive topic in South Africa because of the country’s history of racial segregation and oppression of black people. Therefore, as a consequence of this event, protesters in South Africa (a market which H&M recently just entered) reacted strongly on the ad and trashed several stores.

H&M is well-known for collaborations with celebrities and have released collections together with fashion icons such as Karl Lagerfeld, Stella McCartney and Alexander Wang. As a result of the “Coolest Monkey in the Jungle” ad, H&M lost several celebrity collaborations. One example is the artist The Weeknd who after seeing the ad ended the collaboration with H&M and tweeted: “Woke up this morning shocked and embarrassed by this photo. I’m deeply offended and will not be working with @hm anymore...”³. Another example of a lost collaboration due to the ad is with the American rapper G-Eazy who does not want to be associated with the Swedish fashion company anymore. He tweeted: “After seeing the disturbing image yesterday ... I’ve decided at this time our partnership needs to end. Whether an oblivious oversight or not, it’s truly sad and disturbing that in 2018, something so racially and culturally insensitive could pass by the eyes of so many (stylist, photographer, creative and marketing teams) and be deemed acceptable”⁴.

However, on the other side of the debate there are also people defending H&M. They claim that the case has gotten blown out of proportion, and that it is actually the people claiming H&M to be racist that are the real racists, by making the connection between black people and the monkey statement on the sweatshirt.

2014: Mango Blouse

Mango launched a new blouse that shows a black lightning-print as part of a collection with many new patterns. This product launch resulted in massive critique and public outrage, because this pattern was automatically associated with the Nazi militia insignia called Siegrune. This particular Siegrune-pattern functioned as the Nazis’ distinctive mark on uniforms as well as on Nazi flags. This obvious analogy with the Nazi insignia could not be dismissed and has been described as a “massive design fail”, some Twitter users making fun of it by naming it “the Eva Braun collection”.⁵ A few comments also drew parallels to the Jewish roots of the founders of Mango and asked why they did not feel personally offended by their own design due to the history of Jews and Nazis. Other Twitter users tried to mitigate the heated

² <http://www.dailymail.co.uk/femail/article-5248023/The-Weeknd-cuts-ties-H-M-racist-hoodie.html>

³ Ibid.

⁴ <https://www.theguardian.com/music/2018/jan/10/the-weeknd-g-eazy-cancel-partnership-hm-image-monkey-hoodie>

⁵ http://www.huffingtonpost.co.uk/2014/10/17/mango-fashion-nazi_n_6002744.html

discussion by highlighting the widespread usage of similar lightning symbols in many other branding contexts. A lightning symbol is also the brand logo of KISS and AC/DC, and one person related it to the scar on Harry Potter's forehead and sarcastically asked: "So is Harry Potter anti-semitic?"⁶.

2014: Zara Shirt

In 2014, the fast fashion retailer Zara launched a new shirt as part of their children collection in the UK, Israel, Germany, France, Albania and Sweden. The designers of Zara were inspired by the Wild West theme and created a black-and-white striped long-sleeved shirt with a yellow sheriff-star on the left side complementing the Wild West design idea. While intended to be a nice and cute pyjama top for toddlers, the shirt was associated with Nazi insignia. Two negative associations were made. Firstly, the yellow star was associated with the one Jewish people were forced to wear during the Nazi regime in Germany in order to show their Jewish origin. Secondly, people claimed that the white and black stripes reminded them of prison camp uniforms and were linked to the Holocaust era and concentration camps.

The press in Israel entitled the shirt as the "fresh-from-the-concentration-camp-look" because of the similarity to the death camp uniforms in Nazi Germany. Other critical comments online claimed: "Sheriffs wore stripes? NO. Jews did during WWII", "I never saw a blue-white striped shirt in a Western movie" and "Why the stripes?"⁷

2014: H&M Jumpsuit

As a part of the fall/winter collection in 2014, H&M launched a khaki green jumpsuit. It was quickly pointed out that the jumpsuit looked very much like the Peshmerga uniform which is worn by Kurdish females who are fighting ISIS in the Middle East. Additionally, in the adverts for the piece it was styled with military boots and a brown belt, complementing the overall resemblance with the Peshmerga uniform. This event caused much attention on social media, especially from Kurds accusing H&M of being disrespectful and disgraceful. An example of a Facebook post is: "At times like these, they choose to capitalize from the brave Kurdish fighters in Kurdistan. They should be ashamed of themselves!". Another user wrote: "H&M why don't you show some f***ng respect and fight with them in your stupid clothes."⁸ In addition to this critique, H&M was also claimed to capitalise on brave women fighting ISIS as a way to earn money. Consequently, it was suggested by a number of people

⁶ <http://www.dailymail.co.uk/femail/article-2802057/mango-forced-apologize-anti-semitic-shirt-bearing-lightning-bolts-similar-insignia-worn-police-nazi-germany.html>

⁷ <http://www.dailymail.co.uk/news/article-2735561/Zara-fire-launching-children-s-t-shirts-look-like-striped-Holocaust-era-concentration-camp-uniforms-complete-Star-David.html>

⁸ <http://www.dailymail.co.uk/news/article-2782418/H-M-apologises-Peshmerga-chic-jumpsuit-Clothing-chain-embarrassed-accused-modelling-15-khaki-outfit-uniform-worn-Kurdish-female-fighters-battling-ISIS.html>

that H&M should donate some of the revenue of the sales of the jumpsuit to the Kurdish fighters. However, not everybody was critical towards H&M for the jumpsuit, some found the look to be inspiring, empowering or simply no big deal. Some even described it as paying tribute to the bravery of the Kurdish female fighters.

2007: Zara Bag

In 2007, Zara launched a new bag with a pattern of flowers, bicycles and animals. What is the problem with this, one might wonder. The problem in this case is that the pattern also consisted of a number of green Swastikas, identical to the Nazi symbol. The scandal started when a woman in the UK noticed the Swastika on her new bag and took it back to the store to get a refund and point this out to the staff. Consequently, this caused a lot of attention and complaints against the company which was accused of being anti-semitic. Some claimed that the bag is an expression of and a way of legitimizing fascism. Some of the comments on the bag are: "There are people who see that symbol and it means annihilation and murder to them" and "It is completely offensive and abhorrent to millions and millions of people".⁹ However, everyone did not react as strongly and emphasised the fact that the Swastika symbol has its origins in the Hindu religion where it symbolises strength and good luck.

Fast and Inconsiderate: Why H&M, Zara and Mango refuse to learn from the Past - strategy or naivety?

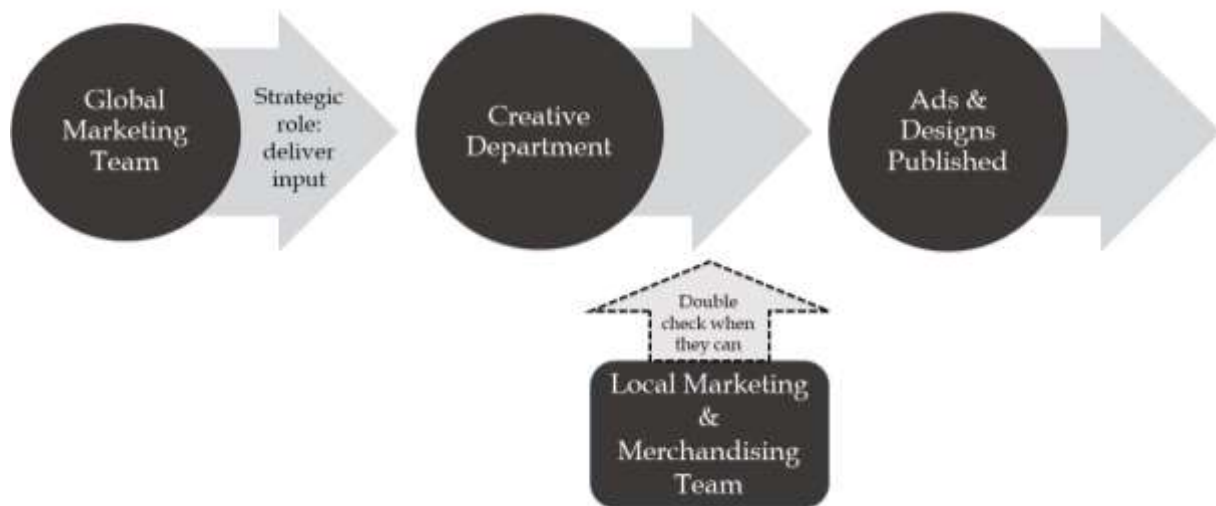
There are three commonly discussed types of fashion controversies: The ones that are purposely offensive, those that are accidentally offensive but could have been avoided, and the ones that are just minor mistakes blown out of proportion. With the PR scandals presented in this case in mind, the central question centers on: How is it possible that globally operating companies like H&M, Zara and Mango, fail to learn from their past mistakes of launching inappropriate designs and advertisements? How can an entire product team, from merchandisers to marketers to store managers, completely miss these obvious breeding grounds for scandals? The explanation might be tied to the innate characteristics of the fast fashion industry.

In the fashion industry, speed to market is of great importance and there is little time for detailed approvals across all functions involved. A marketing manager at a fashion retailer belonging to the top three online retailers in Western Europe explained her view on the matter: "In [a] company [in the fashion industry] and especially in e-commerce, a product is the work of so many people who don't necessarily communicate with each other". Referring to the "Coolest Monkey in the Jungle" sweater, she continued: "While I think it's absurd that this picture could go published without anyone raising issues, I can totally understand how it happened". The cited manager describes the underlying process and respective responsibilities as follows:

⁹ <http://www.dailymail.co.uk/news/article-482476/Zara-bosses-forced-withdraw-Swastika-handbags-shelves.html>

“The creative department will produce assets and creatives without consulting marketing or merchandising [and] only share the finished work, when little can be done to change. Marketing and merchandising have the task of double checking everything before it goes live, but sometimes things slip through the cracks or we just have no time/power to push back. [...] We have more than 7000 SKUs¹⁰ just in Germany and marketing campaigns on every channel you can imagine”.

Exhibit 1 Example of Chain of Responsibilities at an Online Fashion Retailer



In addition, many companies in the fast fashion industry outsource production to other countries where they are not in full control of the production process.

The Decision

Karl-Johan Persson takes a deep breath and opens the door to the H&M head office, ready to present his suggestions on how to handle H&M’s current crisis evoked by the provocative “Coolest Monkey in the Jungle” ad. Putting yourself into his shoes as the CEO of H&M, which immediate actions would you propose to solve the crisis, and which long-term actions are needed to prevent similar crises in the future?

¹⁰ SKUs: stock keeping units, equaling products

Appendix

Exhibit 2 Timeline of Incidents

2007	2014
	 <p data-bbox="1082 501 1399 725">H&M Kurdish Jumpsuit</p>
<p data-bbox="193 1093 596 1209">Zara Swastika bag</p>	 <p data-bbox="1082 732 1399 956">Mango SS Blouse</p>
	 <p data-bbox="1082 963 1399 1193">Zara Holocaust Shirt</p>

Exhibit 3 Table of Shame

H&M Shirt			
Campaign Photo		Racist Connotation	
			
H&M Jumpsuit		Mango Blouse	
Campaign Photo	Female uniform	Campaign Photo	SS Symbol
			

Zara Bag		Zara Shirt	
Campaign Photo	Nazi Sign	Campaign Photo	Concentration Camp Uniform
			