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

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# TEACHING NOTES

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# Teaching Plan

This teaching plan aims to function as a guideline for the teaching process of the case presented within the course *Corporate Brand Management and Reputation*. The main purpose is to prepare the case presenters on how to effectively structure the presentation and case discussion in class. A well-prepared and pre-structured case material will enable the case audience to connect the case to the theoretical background constructs and thereby successfully achieving the learning objectives. Included in the teaching plan are a brief summary of the most relevant case information, an introduction and description of the learning objectives, managerial questions, formulated teaching suggestions and a time and board plan. The following case synopsis provides a brief summary of the case presented.

# Case Synopsis

In January 2018, H&M launched a new kids' sweatshirt with the text "Coolest Monkey in the Jungle". In the online advertisements, a young black boy was portrayed wearing the shirt, standing next to a white boy of the same age, wearing a shirt with the text "Survival Expert". The ad caused outrage on social media where people wondered how nobody at H&M had reacted on the inappropriateness of the ad before the launch. H&M was further accused of being racist and the company lost several celebrity collaborations as a consequence. Additionally, a number of stores in South Africa were trashed by upset protesters and had to close temporarily to ensure safety for staff and customers. Actions taken by the H&M management to mitigate the crisis the ad had caused included removal of the ad and the sweatshirt from sales. Additionally, a public apology was posted on the company's webpage, Facebook and Instagram, admitting that they have not lived up to their usually high standards. In addition, long-term actions such as creating a new position as diversity leader and sending the marketing team to South Africa, were taken to ensure that similar mistakes will not happen in the future. However, this PR fashion controversy is not the first to 'slip through the cracks' and thus tarnish the corporate reputation, as can be seen by the other exemplified incidents (Zara and Mango) described in this case. Therefore, this leads up to the question: Which further actions should be taken to mitigate the crisis and prevent similar crises in the future?

# Learning Objectives

The case at hand focuses on controversial advertising campaigns as triggers for reputational crises in the fast fashion industry and on the evaluation of different managerial actions. In the subsequent section, the presented case will be connected to theoretical background constructs. These constructs applied to the presented case build the foundation for the key learnings and takeaways which should be attained by the audience.

Due to the fact that this case builds upon a phenomenon in the fast fashion industry, and not a specific incident at one single company, it can be argued to be an "Evergreen case" (Urde, 2018). It thus has a rich reservoir of relevant learning opportunities yielding an increased understanding of similar crises and challenges now and in the future. The presented case is connected and applied to three main theoretical areas: different crisis types, crisis management and communication and brand reputation. The interrelation between the theoretical backbone and the presented real-life case offers valuable and unique learning opportunities for the case audience.

## Crisis Types

Before an effective crisis response strategy can be formulated, the severity and cause of the current crisis situation needs to be assessed, so that the response can be formulated accordingly (Coombs & Holladay, 1996). According to Greyser (2009, pp. 591-592) there are many possible sources of a brand crisis, namely: "product failure, social responsibility gap, corporate misbehaviour, executive misbehaviour, poor business results, spokesperson misbehaviour and controversy, death of symbol of a company, loss of public support, controversial ownership". Additionally, crises can be identified as being either intentional or unintentional, and caused by either internal or external factors to the company (Coombs & Holladay, 1996). By identifying the type and cause of a crisis, stakeholders can form an opinion on whether, and to what extent, the company was responsible for the crisis and then react accordingly (Roper & Fill, 2012). Based on the factors and circumstances causing the crisis, three crisis clusters can be distinguished as can be seen in Table 1 below.

**Table 1**       Crisis Clusters

| The victim cluster | Little responsibility is placed on the company and the potential reputational threat is small |
|---|---|
| The accident cluster | The company's actions that contributed to the emergence of the crisis were small and the reputational threat moderate |
| The preventable cluster | The company intentionally acted in an inappropriate way and consequently caused a severe threat to the brand reputation |

Source: Adapted from Roper and Fill (2012), p. 310

When categorising the presented cases into the clusters above, one needs to remember that a company does not always communicate in a truthful way. It is difficult to obtain genuine information about sensitive topics such as the reason behind a crisis (e.g. whether it was an intentional PR-strategy or an accidental mistake). Based on the facts at hand, it can be argued that all the five crises within this case should be placed into the preventable cluster: The companies were the ones acting inappropriately and could have prevented these crises, for example by applying stricter controls throughout the launching process. Additionally, all the three companies' reputations were critically tarnished by the incidents. However, if a company representative would be asked about what caused a crisis and whether it was an accident or not, the reply would possibly be somewhat different. All companies (H&M, Zara and Mango) claim that they never intended to offend anyone, and that the debated pieces of clothing and ads were just unfortunate mistakes. Additionally, Zara even claimed that the Swastika on their bag was put there by an external supplier in India - trying to renounce responsibility and thus be placed in the Accidental Cluster.

## Crisis Management and Communication

Depending on the type of crisis a company is confronted with, it can pursue different avenues to keep the damage to its reputation at bay (Coombs & Holladay, 1996). Attribution theory leads to the conclusion that the responsibility of a fast fashion retailer to respond to a crisis induced by a provocative advertisement is high. Stakeholders' perceptions of a crisis are influenced by three dimensions: stability (the different company examples underline the frequency of such events happening, even within the same companies), external control (fashion brands can execute full control over the process of designing clothes and advertisements if they want to), and locus/personal control (cause controllable by the fashion retailers) leading to the need for immediate as well as long-term reaction in this case (Coombs & Holladay, 1996).

Roper and Fill (2012) distinguish five groups of response strategies: denial, evasion of responsibility, reducing offensiveness, corrective action or mortification. Denial negates the existence of the crisis itself or attempts to diffuse any links to the company, the latter of which Zara attempted when presenting their suppliers as the scapegoat. Evasion of responsibility can take the form the provocation (arguing the wrong deed was provoked by another act), defeasibility (crisis allegedly caused by lack of time or information), accident (no deliberation) or good intentions (the wrongful act occurred despite best intentions). Reducing offensiveness is aimed at downplaying the significance of the crisis. The public statement of the mother of the child that modelled the H&M sweater stating that even she did not perceive the sweater as racist provides an example for this strategy. Corrective action refers to setting straight any damage and preventing similar crises in the future, an avenue pursued by H&M when creating the new position of a diversity leader. Mortification asks for forgiveness, for example in the form of an apology on social media as published by H&M.

The range of possible response strategies in a crisis situation can be expanded by including the prevention and preparation of crises for example by building a 'reputational reservoir', as well as the strategic choice to benefit from successfully solving a crisis (Augustine, 2000; Greyser, 2009).

## Brand Reputation

Before explaining the consequences of a crisis on the brand reputation it is important to understand the reputation building process. The strategic communication of a brand's identity functions as an identity transmitter in order to create images of the company in different stakeholder groups, which ideally are congruent with the brand identity. Ultimately, the aggregation of all these images then forms the brand's reputation.

A crisis affects a brand in many different ways, not only the identity is negatively affected but also the brand's reputation suffers in the worst case. Therefore, Greyser and Urde (2016) created the Corporate Brand Identity and Reputation Matrix (CBIRM) (see Exhibit 1) in order to visualise the entire spectrum including eight reputational elements (trustworthiness, relevance, recognisability, willingness-to-support, responsibility, performance, credibility and differentiation). This matrix is helpful in crisis situations in order to localise and rate which of the eight reputational elements have been negatively affected and to what extent. Related to this case, it can be said that especially three elements cause concerns: The trustworthiness of fast fashion retailers, their credibility and their responsibility have been hit severely during the crises.

**Exhibit 1**     Corporate Brand Identity and Reputation Matrix (CBIRM)
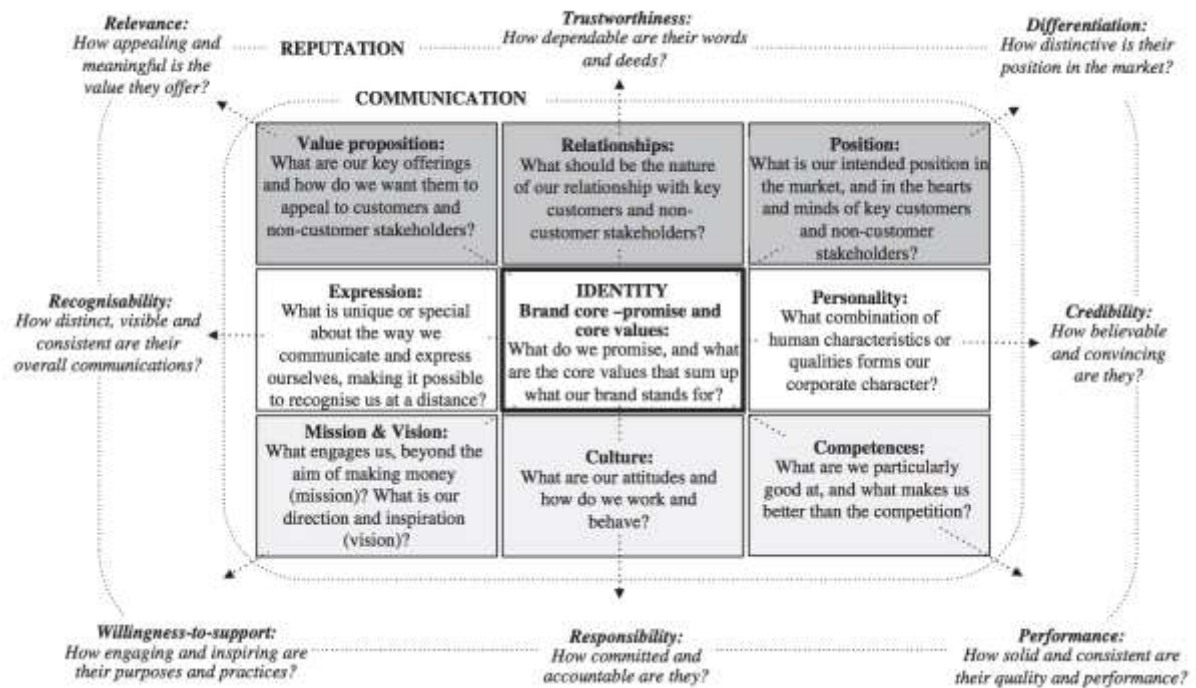


Source: Greyser and Urde, 2016, p. 103

Greyser (2009) brought up the central question to what extent the essence of the brand might be affected by a crisis situation. Hence, authenticity becomes extremely important in these kinds of situations in order to "build, sustain and defend reputation" (Greyser, 2009, p. 590). Fast fashion retailers like H&M, Zara and Mango were obviously not acting in an authentic way by launching advertising campaigns which are morally questionable. A major disadvantage for fast fashion retailers is the overall stained reputation of the fast fashion industry as a whole, based on issues such as child labour and unsustainable production practices. However, fast fashion retailers might have a 'reputation reservoir' due to their loyal customer base which they can draw upon in crises situations like these (Greyser, 2009).

# Overview of Key Learnings

**Table 2**      Key Learnings

| Remembering | That clothing companies often outsource core functions (such as design and creation of promotional material) and thereby give up control over their supply chain. |
| --- | --- |
| Understanding | How controversial ads can get published over and over again, and which actions companies have taken in these situations. |
| Applying | Managerial decisions to respond to crises with immediate and long-term actions to mitigate damage to the brand image and reputation. |
| Evaluation | Which type of crisis a company is in, and additionally, the effect and severeness of a crisis on the brand reputation. |
| Creating | An action plan for H&M and similar companies to prevent similar crises to arise in the future. |

# Discussion Questions

## Main Question

- Which immediate actions would you propose to H&M to solve the crisis, and which long-term actions are needed to prevent similar crises in the future?

## Assisting Questions

- Are these scandals caused by honest mistakes, or are they purposeful PR-strategies?

- Considering the three categories of fashion controversies - in which would you put the discussed scandals, and why?

- How can companies such as H&M introduce a change process in the process of launching new collections, to prevent this from happening again?

- How suitable were the actions taken by H&M (and the other clothing companies), e.g. to withdraw a piece from sale or not?

# Teaching Suggestions

The following chapter will provide a detailed guideline on how to teach the case at hand, involving the usage of visual material, presentation and discussion and moderation advice. Additionally, the presenter should be well-equipped with moderation cards for the PowerPoint slides.

In order to engage with the audience and assist them in remembering key points in the case, a variety of presentation equipment tools, such as the whiteboard and primarily a PowerPoint presentation, will help to visualise the case. The PowerPoint slides will include the advertising pictures which are described in the case, quotes commenting on the incidents and images of people vandalising H&M stores, which aim to provide the audience with a real-life experience of the case.

After having presented the case and asking the managerial questions, the class will have a chance to ask questions before starting the case discussion. The audience will then be asked to take the role as H&M's executive board, consisting of representatives from marketing, PR and HR, and asked how to mitigate and manage the crisis at hand, and what actions to take to prevent similar situations in the future. During the in-class discussion, one of the instructors will act as moderator and guide the discussion without asking leading questions and thereby bias the final decision of the audience. Throughout the case discussion, the PowerPoint slide with the main managerial questions will be permanently visible to ensure that the discussion stays relevant. Additionally, main outcomes of the discussion will be visually summarised on the whiteboard. An industry perspective regarding the incidents described in the case will be presented after the discussion in form of quotes in order to provide the audience with deeper industry insights. Finally, the actions taken by H&M in relation to the latest crisis will be presented after the discussion.

## Time Plan

The following time plan has been created in order to facilitate the presentation, and make sure that the case presenter covers all relevant areas within the given time frame. The allocated time for this presentation is limited to 20 minutes and the different areas covered will be presented below. The case presentation will start with a brief introduction of the companies and incidents, with emphasis on H&M, leading up to the main managerial questions (10 minutes), after which the in-class discussion will follow (10 minutes). In the last part of the case presentation, the actions taken by the H&M as a response to "The Coolest Monkey in the Jungle" crisis will be presented

summarised in key insights (5 minutes), followed by a concluding Q&A session (5 minutes).

## Board Plan

In order to effectively structure the in-class discussion outcomes, it is recommended to use a pre-organised table-structure which is divided into the different columns: Issues, Immediate Actions and Long-term Actions. This structure has been used during the course when working with different live-cases, and was therefore chosen for this case presentation since the audience is already familiar with the structure. By using this board plan, suggestions from class can be easily visualised and summarised on the whiteboard. Since this case has three authors, one will act as moderator of the discussion while the other two are responsible for writing down comments from class to ensure that nothing is left out. To exemplify, a couple of possible discussion outcomes can be seen in Table 3, as shown below.

**Table 3** Board Plan

| Issues | Immediate Actions | Long-term Actions |
|---|---|---|
| 1. Internal mismanagement of responsibilities <br> 2. Damage to brand image and reputation <br> 3. Wide-spread negative word-of-mouth (especially on social media) <br> 4. Lost collaborations | 1. Admit wrongdoings/faults in order to regain trust of customers and other stakeholders <br> 2. Decide who is communicating with stakeholders <br> 3. Speed of action needed related to communication activities <br> 4. Be honest and transparent when communicating with stakeholders → protect brand credibility <br> 5. Investigate how this could happen → find the root of the problem | 1. Re-align and coordinate internal responsibilities among different departments (HR, marketing, PR) <br> 2. Restructure internal launch-process and control systems <br> 3. Restore image and reputation |

# Epilogue

The first step in analysing the intricate situation H&M's CEO found himself in, is to understand how these crises can occur. An important learning outcome is to realise that the type of crisis Karl-Johan Persson faces falls into the preventable cluster, yet it is deeply rooted in the fast fashion industry, as portrayed by the other cases discussed. This turns this challenge into an 'Evergreen case' that can serve as a guideline for other fashion companies in the future. Time will tell whether the measures taken by H&M, from apologising on social media to drawing on mollifying quotes from the model's mother, will help to restore H&M's reputation, especially the tarnished elements of trustworthiness, credibility and perceived responsibility.

This case allows insight into crisis communication in a broader scope as well, possibly showcasing how companies belonging to other industries can cope with internally caused crises. The most viable response strategies presented for these types of preventable crises are reducing the negative perception of stakeholders and strengthening positive perceptions, as H&M demonstrated by announcing a diversity leader, an action unprecedented in the history of similar crises.

# Reflection

The main part of the course *Corporate Brand Management and Reputation* was to write a management case that had to be presented at the end of the course. First of all, the selection of a real-life problem in the business field had to be done by a group of three Master students after taking different case alternatives into account and weighing up the importance of these different real-life scenarios. Consequently, a chosen management problem has been transcribed into a detailed case paper based on given academic guidelines.

The first supervision with the responsible professor of the course, Mats Urde, and his PhD student Axel Welinder, represented the official 'kick-off' for this case writing assignment. During this supervision session, the group members together with the two supervisors agreed upon the recurring phenomenon of controversial ads and pieces of clothing within the fast fashion industry, since it is of high relevance for the academic as well as managerial area. Mats Urde suggested to take several incidents within the fast fashion industry into account in order to illustrate this particular phenomenon which seems to occur on a regular basis. The group then decided to build the case around a recent incident in order to highlight the relevance of this issue: The launch of a new kids sweater by H&M with the print 'Coolest Monkey in the Jungle'.

Since similar incidents happen on a regular basis, Mats Urde defined this case topic as an 'Evergreen case' and thereby highlighted the possible learning outcomes for the group and the class by writing and elaborating this sequence of incidents.

This assignment differed a lot from other university assignments since the focus was to formulate a particular problem and frame it rather than finding a sophisticated solution to the problem. Different advertisement material has been selected throughout the case writing process in order to illustrate the different issues visually. Additionally, a representative of an online fast fashion retailer has been interviewed regarding her opinion on how such incidents can possibly happen. Finally, PowerPoint slides have been created in order to wrap up the entire case. Before presenting the case to the audience, the group did several dry-runs in order to test the presentation situation and to get a feeling for the own role and the responsibilities that go along with it. The gained feedback from the 'test-audience' has been taken into account and as a consequence of that, some minor adjustments of the PowerPoint slides have been made. Right before the presentation, the group decided to test the technical equipment on site in order to guarantee a smooth presentation process. Getting familiar with the presentation set-up heavily increased the confidence of each group member and thereby lowered the overall stress level of the group since the technical equipment had been tested.

To sum it up, this assignment truly enhanced the group's capabilities in terms of framing a managerial problem and also facilitated the connecting of the theoretical knowledge gained during the course with real-life management issues by addressing this particular problem in detail. We highly appreciate this unique learning experience and the opportunity to present our case in front of this year's Master class. The presented phenomenon is of high relevance for academic purposes, but in particular for diverse business contexts and future actions. Therefore, our group is truly pleased with the achieved learning outcomes of this assignment.

# References

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