

PACK YOUR BAGS: A MULBERRY REPOSITIONING CASE

TEACHING NOTES

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Teaching Plan

The teaching plan provided will serve as a comprehensive tool detailing how to teach the presented case of Mulberry. This guide was created for the purpose of assisting the instructor in preparing, organising and structuring the case at hand in an efficient and effective manner. By utilising these teaching notes, the case instructor will be able to conduct a presentation that engages the audience and stimulates a discussion, with the overall goal of achieving the core learning objectives addressed below. The teaching notes are comprised of an overview of key issues in the case, the relevance of the case, followed by the main learning objectives and questions. Additionally, teaching suggestions will be provided along with a recommended board plan and time plan.

Synopsis

In 2012, Mulberry, a well-established British fashion brand recognised for its leadership in the affordable luxury category appointed a new CEO, Bruno Guillon. Bruno aspired to reposition Mulberry to a more premium segment. The aftermath of this repositioning strategy saw the resignation of Mulberry's creative director Emma Hill who did not agree with this new strategy. Furthermore, Mulberry experienced a downturn in customer patronage, as customers felt that the rise in prices of Mulberry's products were not justified. This subsequently resulted in several profit warnings and a 68% drop in share price (European CEO, 2014).

This move had several implications both internally within Mulberry, in terms of its brand identity (which was built on heritage and timelessness), and externally due to its new position in the market. Mulberry, which had started from humble beginnings, was now experiencing turbulent times as a result of a decision which sharply deviated from the foundations of the company. The repositioning put Mulberry in direct competition with some of the industries most established luxury fashion brands, and sought to abandon the loyal customer base that had sustained the brand over the years. Questions about what the brand really stood for and their position in the market began to surface. The repositioning was not well received locally by their British customer segment nor by the global markets such as Asia, a key target market for this new strategy.

Following Mulberry's failed repositioning, there were a number of highly significant management and operational decisions made. The first of which was to abandon the new premium positioning and restore Mulberry to their affordable luxury roots. The decision was also made to fire Bruno Guillon, the CEO who had led the brand astray. Finally, Mulberry appointed a new Creative Director, and CEO both of which had a track record of working well together previously, ensuring a more coherent vision for the future.

Case relevance

This case provides a deeper understanding of the challenges associated with repositioning a well-established brand with a rich heritage. In a competitive environment, brands can face challenges when they move out of their niche, exposing themselves to a range of new competitors. This case highlights the importance of buy-in from both external and internal stakeholders in the process of repositioning, alongside the importance of brand stewardship as a key learning objective. This case focuses on the luxury fashion segment, however understanding the importance of the brand core when looking to reposition or grow a brand is a key objective of corporate brand management. Therefore, this case provides timeless relevance. Furthermore, this case highlights that a leader with strong merits will not always provide the best way forward for a brand if the time is not taken to understand its heritage and core values.

Appropriate courses for this case

The Mulberry case provides learnings about positioning, brand identity, brand heritage, strategic vision and brand management. The following suggested courses can make use of the Mulberry case:

- **Brand management:** Allows students to learn about how companies can both manage their brands, and how to recover from missteps through remaining true to the core brand identity.
- **Heritage branding:** Provides students with an understanding of how brand heritage and brand stewardship play an important role in brand management.
- **Brand oriented leadership:** Provides key learnings surrounding the importance of considering the brand core when making strategic decisions.

Learning Objectives

Key learning objectives

Objective	How? (theory)	Case relevance
Remembering	... the importance of the alignment between the identity of a brand and its positioning in the market	In the Mulberry case their brand core (affordable luxury) was not considered when pursuing their new high-end repositioning strategy.
Understanding	... the fundamental elements of brand management, and the importance of considering stakeholders in strategic decisions.	Lack of 'willingness-to-support' for Mulberry after alienating their core consumer base, and losing the support of internal company members.

Applying	... Kapferer’s brand positioning diamond to identify the relevance of repositioning	Considers the target audience, competitor and brand promise of Mulberry before and after repositioning
Analysing	... the strategy diagonal of the corporate brand identity and reputation matrix	Identifies the misalignment between mission and vision, the brand identity (core) and positioning, and how this impacts differentiation and willingness-to-support
Evaluating	... options for addressing the reputational elements of the strategy diagonal from the corporate brand identity and reputation matrix	The case demonstrates that Mulberry’s repositioning has negatively impacted their willingness to support and differentiation
Creating	... an action plan for ensuring the alignment of the strategy diagonal	Based on the identification of the issues with the Mulberry case

Theories

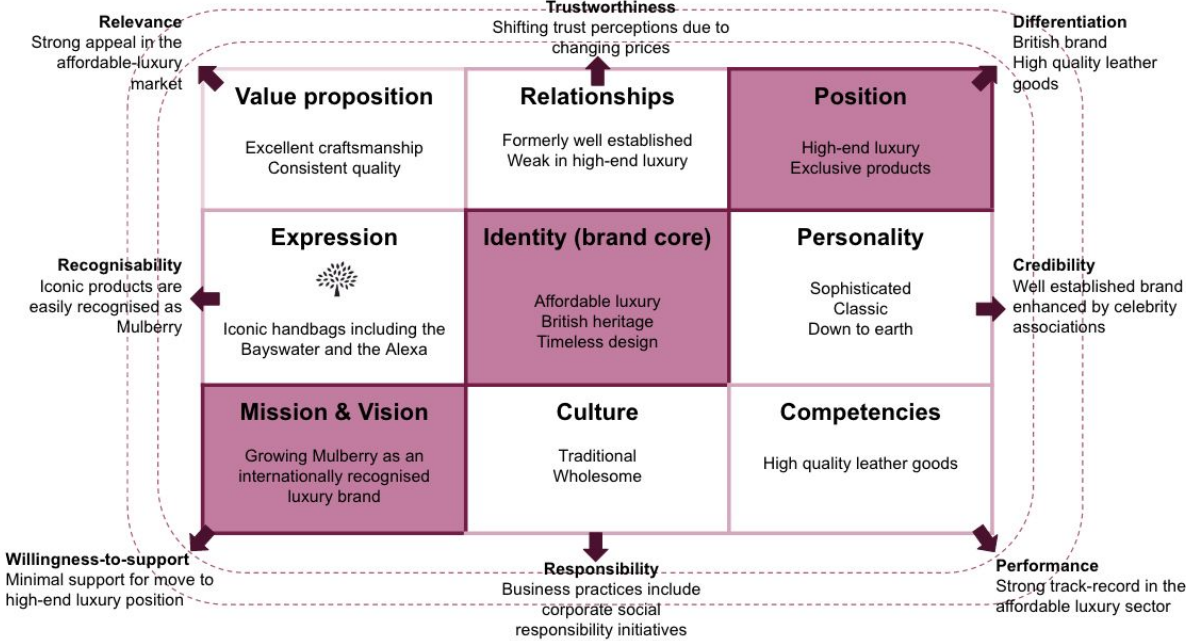
Brand identity & brand reputation

Both brand identity and brand reputation are concepts which must be understood in order to analyse the decisions made by Mulberry and to enable the audience to provide future recommendations. Brand identity comes from within the organisation, stemming from the idea that a brand is more than just a product or service, it is a unique value proposition (Fill & Roper, 2012; Urde, 2003). According to Dowling (1994; cited in Fill & Roper, 2012) corporate reputation is built on a combination of the brand image, alongside prior expectations of stakeholders based on the type of organisation it is. Therefore, in order to understand the reputation of Mulberry the audience must consider who the key stakeholders are in this case, and the brand’s position in the luxury fashion sector.

The application of the Corporate Brand Identity and Reputation Matrix (Urde & Greyser, 2016) can be used to frame and analyse the decisions made by Mulberry and provide a structure for the case. A completed matrix can be seen in **exhibit 1**, with the core values identified as “affordable luxury, British heritage and timeless design”. The strategy diagonal should be utilised as a tool for analysis, as it connects the organisation’s mission and vision with its wanted position in the market, whilst taking into account the importance of the brand core as the linking factor between Mulberry’s identity and image (Urde & Greyser, 2016). Furthermore, stakeholder

perceptions are addressed through reputational elements of differentiation and willingness-to-support, which should facilitate discussions surrounding the importance of stakeholders in Mulberry’s consideration to reposition. As identified by Fill and Roper (2012), repositioning must build on the understanding of the current brand identity, and a brand needs to fully understand its own identity in order to avoid friction between stakeholders.

Exhibit 1: Mulberry’s Corporate Brand Identity and Reputation Matrix after the incident



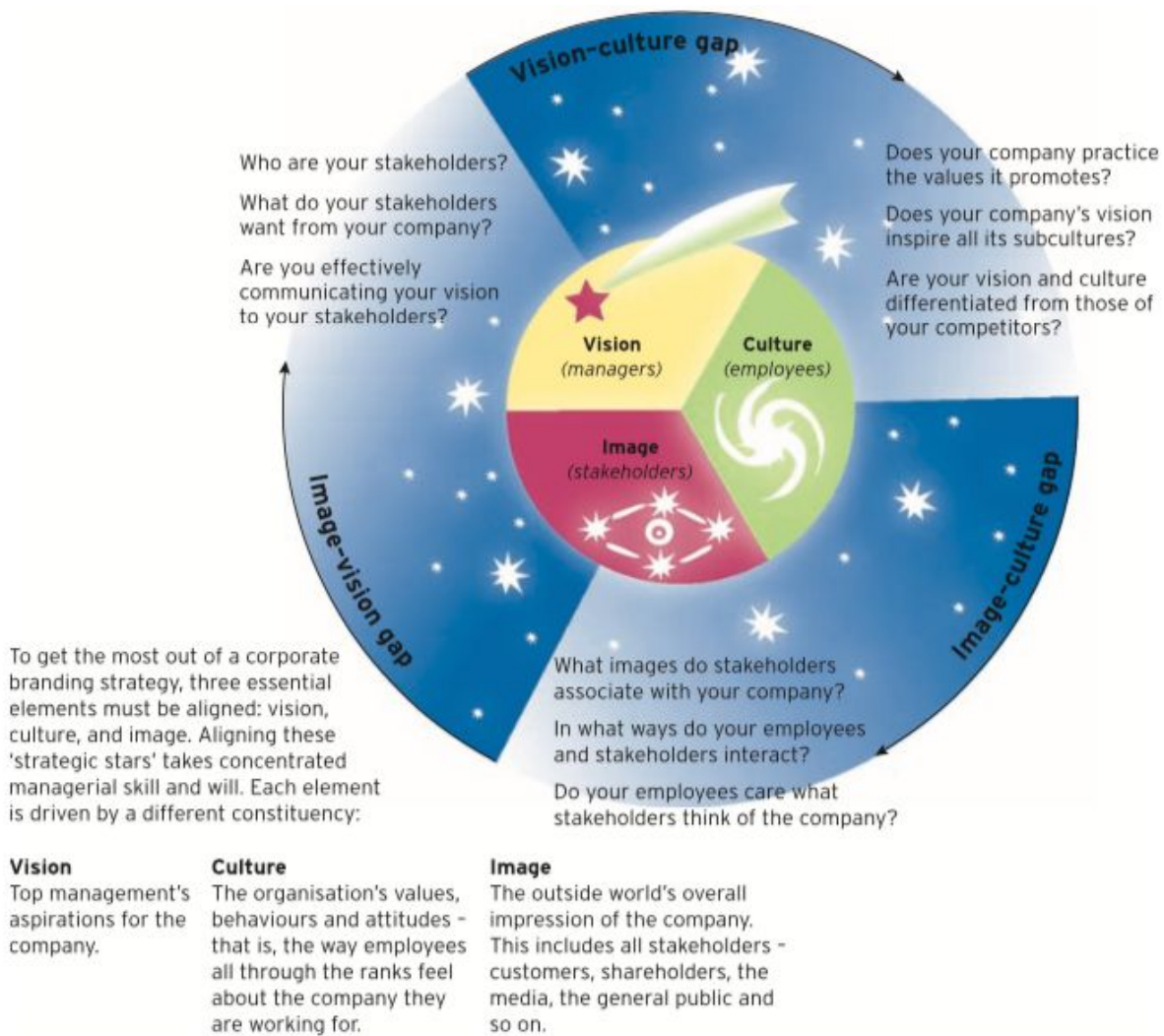
Once the Corporate Brand Identity and Reputation Matrix (CBIRM) has been discussed, it should become apparent that there is a lack of alignment between the core values, and the desired position, demonstrating that repositioning has been problematic (further information on this can be found in the positioning section). The objective is for students to understand the ‘brand core’ as the promise between Mulberry and its stakeholders, and by identifying that there is a disconnect between these two, the audience can begin to identify troublesome strategic decisions, and start to discuss the issues which caused the incident (Kapferer, 2012).

Misalignment of vision, image and culture

Through the application of the CBIRM it will be apparent that the Mulberry case represents a misalignment between internal perspectives, and external stakeholder perceptions. The application of the Hatch and Schultz (2003) vision-culture-image model can be seen in **exhibit 2**, and can diagnose internal gaps in alignment within the case. According to Hatch & Schultz, three brand elements need to be aligned in order to build and maintain a strong corporate brand, these are; (1) strategic vision

(2) organisational culture, and (3) image perceived by stakeholders (Hatch & Schultz, 2001, 2003). As stated in the synopsis, Mulberry started having trouble following the implementation of a new vision and market position for the brand which was proposed by the CEO. By having the audience discuss some of the questions present within the Hatch and Schultz (2003) model it will generate insights into, and develop the understanding of the managerial decision made by Mulberry. Predominantly, the alienation of existing customer groups could be seen as an image-vision gap, whereby there is a misalignment between stakeholder perceptions and the strategic vision of management. This further reinforces elements of the strategy diagonal of the CBIRM.

Exhibit 2: Hatch & Schultz (2003) vision-culture-image model



Brand Heritage and Prestige

As made clear from their brand core, heritage is a strong contributor to Mulberry's well-established position in the British fashion and leather goods industry. Therefore an understanding of corporate heritage is fundamental to understand the implications of Mulberry's repositioning which moves them away from their established reputation of humble beginnings and exquisite craftsmanship. In terms of their brand heritage, Mulberry was also highly differentiated from its luxurious premium competitors who had a heritage spanning over a hundred years, in comparison to Mulberry's forty years.

According to Urde, Greyser and Balmer (2007), brand heritage is a dimension of a brand's identity found in its (1) track record, (2) longevity, (3) core values, (4) use of symbols and (5) its belief that its history is important to its identity. This model can be seen in **exhibit 3**. According to the article, the more there are of the five elements and the more powerful their presence, the higher the organisation's HQ. Track record can be explained as demonstrated performance which proves the organisation has lived up to its values and promises over time. Longevity is the consistent demonstration of the other heritage elements in a way which ingrains them into the culture of the organisation. Core values guide the organisation's internal behaviour and mindsets as well as external communications. Brands may also use symbols in their communication in the form of their logos or design aesthetics. These symbols may sometimes form identities of their own that represent the brand. Finally, the last dimension is the prominent use of history by the brand to communicate its identity.

Urde, Greyser & Balmer's (2007) model can be used by participants to evaluate the Heritage Quotient (HQ) of Mulberry as a corporate brand (see **table 1**). This will also provide a springboard for evaluating the extent to which Mulberry's attempted luxury repositioning can be analysed through the use of brand stewardship, and brand heritage.

Exhibit 3: Brand stewardship model from Urde, Greyser & Balmer (2007)

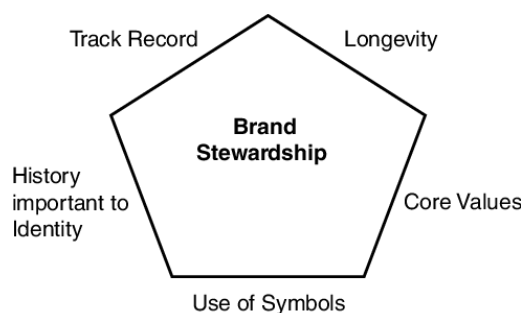


Table 1: Elements of brand heritage as applied to Mulberry

Heritage brand elements applied to Mulberry	
Heritage Element	Mulberry Scenario
Use of Symbols	The Mulberry logo depicts a mulberry tree and was designed by the sister of Mulberry’s founder. Iconic handbags such as the Bayswater are also symbols.
History Important to Identity	Mulberry’s humble beginnings, as a small British brand focused on quality craftsmanship.
Track Record	Affordable luxury, delivering high quality products to customers for 40 years.
Longevity	Consistency of its track record of quality and timelessness and a commitment to its history.
Core Values	Affordable luxury, Timeless Design, British heritage.
Stewardship	To maintain the Mulberry heritage while delivering consistent value to their customers.

Brand heritage and the associated prestige, can act as a basis for differentiation in positioning, and can therefore provide valuable support for the analysis of this case (Urde, Greyser & Balmer, 2007). Halwani (2019) identifies that three characteristics of heritage luxury brands are timelessness, quality craftsmanship and prestige. Prestige can be identified as recognisability and exclusivity (Halwani, 2019). In the analysis of the Mulberry case, the premiumisation of the brand should be discussed with its heritage in mind, but also taking into consideration prestige and Mulberry’s position in comparison to other competitors in the same market.

Repositioning

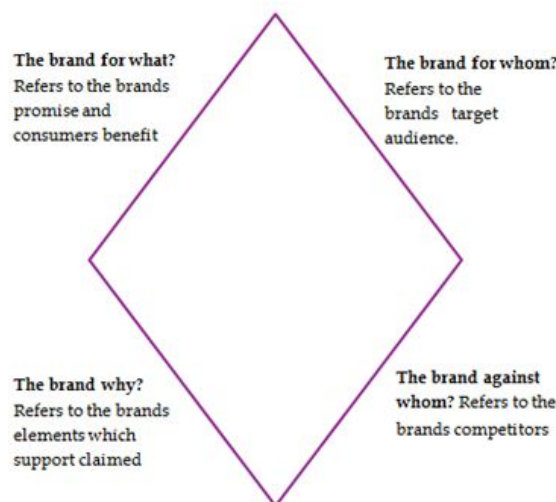
It is not uncommon for brands to reposition to enhance or improve their position in the minds of customers and stakeholders, whilst increasing revenue, loyalty, competitive edge and the overall value of the brand (Kapferer, 2012). Kapferer (2012) identifies that repositioning can enable companies to change existing associations that consumers might have in regards to their brands, products and service offerings. A repositioning strategy delivers an updated and revised brand promise, and sometimes a new brand personality. If repositioning is developed and implemented effectively, it can result in a renewed consumer perception and subsequent boosted

competitive stance within the markets they operate. The CBIRM contains positioning as a key component of an organisation's marketing strategy (Urde & Greyser, 2016). When carrying out an analysis of the 'strategy diagonal' (refer back to **exhibit 1**), as applied to Mulberry, this can be used to evaluate their intention of establishing a new market position and ensuring the new positioning is supported by the brand identity.

Mulberry decided to adopt this repositioning strategy by shifting from their existing focus to a new one, and therefore understanding the challenges of repositioning is essential for this case. Initially Mulberry's affordable luxury meant they were operating in a niche segment of the luxury fashion market. This is a position the brand had retained for over four decades, thus they had a strong position and presence in the market and a loyal consumer base. Mulberry's new positioning involved shifting to a premium market of the luxury fashion industry, a strategy set in motion by raising prices to appeal to the opulent upper-class audience, and creating exclusivity associated with a prestige brand. The aim of this strategy was to both attract and capture a new consumer group, and to position Mulberry amongst global giants in the luxury fashion industry such as Chanel, Hermès and Louis Vuitton, and thus making them vulnerable to new competitors

An important tool to evaluate Mulberry's repositioning is the four positioning questions which come from Kapferer's (2012) brand positioning diamond which can be found in **exhibit 4**.

Exhibit 4: Kapferer's brand identity diamond



Mulberry made it very clear whom their new target audience and new competitors would be after the brand repositioned themselves as an upmarket luxury brand. However by having the audience address the 'brand for what?' and 'the brand why?' it will highlight the lack of clarity in Mulberry's new positioning. The brand failed to communicate its raised prices to consumers, nor did they provide a justification for the price increase. In failing to do so, customers did not see the benefits of purchasing their products. A discussion surrounding what they could do to recover from this

will provide key learnings on and support reputational elements of the CBIRM, namely willingness-to-support and differentiation.

Assignment question

Assignment questions

To generate discussions within the classroom and to fulfil the learning objectives, it is recommended that the primary question is shared with the class. Furthermore, assisting questions can be used to guide and facilitate the discussion.

Main question:

Consider that you are in a senior management position at Mulberry. You are required to make a decision about the next steps following the walk-out of the creative director and the drop in share price following the repositioning, what do you recommend?

Assisting questions:

- What is the primary reason for this crisis?
- What are the key brand elements which need to be addressed?
- What is the brand core of Mulberry?
- How well is the brand identity aligned with the new positioning?
- What impact does Mulberry's heritage have on their positioning and vice versa?
- What are the key stakeholders in this situation?
- How should Mulberry ensure continued customer buy-in?
- How can Mulberry continue to differentiate themselves?

Teaching suggestions

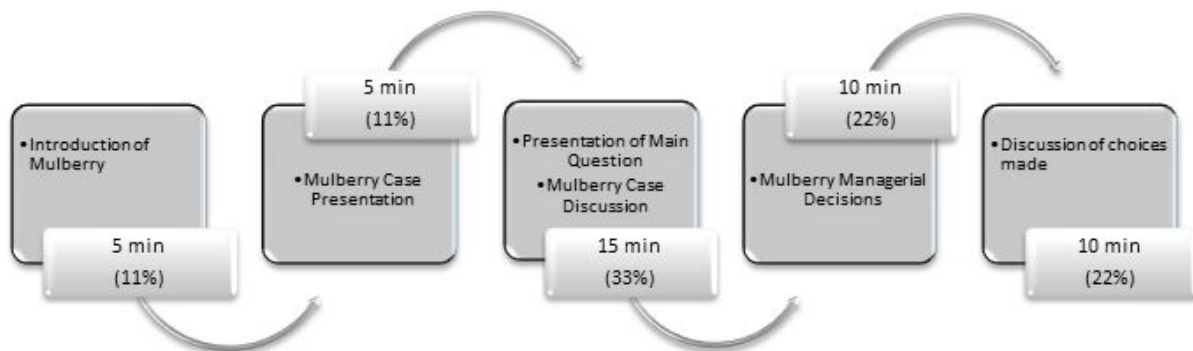
To create an engaging discussion, some teaching recommendations are made to the presenter of the case as follows:

First, it is recommended that visual tools such as a PowerPoint presentation and a board should be used. This will make it easier for all students to follow the case closely, understand it better and help them gain a deeper level of understanding. The presentation will be important during the case presentation to highlight the key aspects of the case that will be relevant for subsequent discussion. During the discussion stage, the whiteboard will serve as a tool for listing down students' comments and contributions towards the analysis of the case. The structure recommended is explained in the board plan below. Additionally, name tags will enable the presenter to call students by name, allowing for a smoother discussion and a more professional environment. Secondly, the presenter should ensure that the discussion is guided by the use of assisting questions. Furthermore, the presenter should build on students' comments and contributions through the asking of follow-up questions around key concepts and opinions. Regarding this, the presenter may want to refer students back to the important concepts in this case such as the CBIRM for Mulberry, focusing on the strategy diagonal, as well as the heritage and positioning frameworks so that the discussion is kept on course and a decision is reached within the time limits.

Time Plan

This section will contribute to the teaching suggestions stated above by providing the instructor with a basic idea on how much time should be allocated to the various sections of this case study. The core aim of the time plan is to provide a sense of focus and direction whilst ensuring that all case sections are addressed and tackled in a timely and well-organised manner. A total of 45 minutes was given for the presentation of this case and **exhibit 5** illustrates the suggested time plan which clearly states the approximate time distribution per case section. The time plan starts with a brief introduction into the background and history of Mulberry as a way of familiarising the audience with the brand, after which the incident will follow. Prior to entering the discussion phase, the instructor will give the audience the management question (mentioned in previously) as a way to actively engage the audience in a real-life situation within brand management. This phase is then followed by a case discussion where the audience will identify key facts, current issues, alternative solutions. Within this phase the audience will also be required to agree on a recommendation to answer the management question. Afterwards, the management decisions from Mulberry will be presented, with time allotted to discuss this decision. The final phase will engage the audience in a closing discussion focusing on audience views of the managerial choices made by Mulberry as well as potential explanations for Mulberry making this decision.

Exhibit 5: Time plan



Board plan

A board plan is a valuable tool to provide a pre-prepared structure of how to carry out the case discussion and provide the presenter and the audience a way of keeping track of the discussion. A recommended structure is a three part table, (1) key issues, (2) the alternatives, (3) recommended actions. Within the key issues the presenter should record the main challenges which the audience highlights during the discussion. Any suggested solutions or plans of action should be listed within the alternatives section. However, it is often the case that recommendations are varied due to the complexity of the case, and therefore it can prove beneficial to divide

alternative solutions into categories associated with previously identified theories, for example positioning, differentiation, strategic vision or brand identity. Finally, the recommended actions will stem from the discussion surrounding alternatives, with the class being required to come to an agreed upon managerial decision of how to solve the case. The example board plan below **exhibit 6** demonstrates the key areas within the case. Example actions have not been provided given that the managerial decision is known. However, by recording the managerial decision of the audience it provides for discussion after the chosen solution was presented. It is important for the presenter to consider all opinions within the discussion, whilst remaining conscious of the learning objectives of the case and using these to facilitate the discussion.

Exhibit 6: Board plan

Issues	Alternatives	Actions
<ul style="list-style-type: none"> ● Lack of willingness-to-support ● Brand core and positioning misalignment ● Lack of differentiation ● Image-vision gap ● Poor brand stewardship 	<ul style="list-style-type: none"> ● Reconsider positioning ● Actions to achieve stakeholder buy-in ● Use of heritage as differentiator ● Methods for gaining internal buy-in 	<p>Guided by the strategy diagonal of the CBIRM</p>

Epilogue

This case illustrates the challenges of repositioning, particularly for a brand with a strong heritage and established niche. Key learnings from this case are the importance of taking into consideration a brand’s core values when making significant strategic changes, and the need to consider alignment between both internal and external elements of the brand including the brand’s identity and reputation. The Mulberry case highlights that brands which already have a strong position in the market may experience a lack of willingness-to-support, both from external and internal stakeholders, when deviating from this position. Although the case of Mulberry focuses on luxury fashion, the challenge of repositioning a brand with a heritage can be seen as relevant to a number of different sectors. Furthermore, the learning gained from this case is centred around the significance of the brand core and the importance of its alignment with other strategic elements, demonstrating the strength of the CBIRM as a diagnostic tool for brands in the process of repositioning.

Reflection

Participation in the Corporate Brand Management and Reputation lectures gave us the opportunity to learn from solving cases presented by high profile companies. This experience was highly valuable for teaching us how to apply theories to a practical situation, something which will be a great asset in our future careers. This process also gave us a good understanding of what is required for a case to be both educational and engaging, and provided a good foundation for us in our approach to putting together the Mulberry case.

Initially, the process of selecting the topic involved putting together three proposals of different companies and incidents which could be further developed into a case. These proposals were then presented and discussed with lecturer Mats Urde, who provided feedback on important elements to consider within each case, and guidance on how to evaluate which case was the most appropriate. At the time of putting together these initial proposals, the subject of the lecture had been focused on crisis communications, and therefore this was something which influenced our selection of suggested case topics. Initially, it was somewhat challenging to think of case examples outside of crisis communications, as this was the only case we had experienced. Therefore, two of the cases pitched were relatively straightforward crisis situations. However, the meeting with Mats pushed us to pursue our third and most complex case. The Mulberry case was chosen due to there being multiple components, and therefore applicable theories, which played into the incident. The case not only had an element of crisis, but in a less traditional sense, it also provided a managerial decision that could be seen as against the book, and therefore would not align with what might be expected by students solving the case. Therefore, this case gave a good foundation for generating discussions in the case solving phase, there was also the additional opportunity for a 'round up' discussion afterwards to see what students thought about the decision made.

When writing the case, the most challenging part of the process was needing to be objective, particularly when presenting the incident. In particular, it felt as almost a natural instinct to present what had happened in terms of what they had done wrong, rather than just state the facts alone. For example, we wanted to pinpoint that the repositioning was alienating the market and moving Mulberry away from their brand core. However upon reviewing what we had written and discussing it as a team we felt it important to let the audience come to this conclusion on their own. Particularly as in a real-life situation it may not be as apparent that a strategic decision had compromised the core of the brand.

It was at this point we started to move towards focusing on taking a more teacher mentality to writing the case, rather than ourselves trying to explain and solve the problem. We were able to discuss different models or theories, suggest how they

would be applied before settling on the ones included in this case. Additionally, there were some initial theories which were swapped out for others as we progressed with the case, and started thinking about how theories or frameworks would be applied to come up with solutions. In particular, initially we were not using the CBIRM, and were struggling to find ways of connecting the different theories which we felt fitted with the case. Although, after applying the model in our student group assignment we had a 'eureka' moment and realised that by focusing on the strategy diagonal in particular we were able to tie together a number of different theories and components of the case. Furthermore, by grounding the case in the application of one framework we felt there would be flexibility in the length and depth of discussion should this be used in a different context, with different time constraints, in the future.

A challenge we faced throughout the case writing process became apparent when we discussed how certain theories and models could be applied. Often, we had the tendency to consider the solutions as what they could have done, or should have done differently, rather than what needs to be done from the point of the incident. We came to the realisation that this is something we often did, as prior to experiencing the case method of teaching on this course, the majority of education we have received had been centred around analysing what has happened after an event or incident. Therefore, the process of writing this case alongside the case solving lectures helped us develop an understanding of the need to move forward from past events, and consider how this can be done even if you do not agree with what was done in the past. Again, we reflected that this learning will be valuable in the future.

Although we felt confident that our case contained some great opportunities for learning, we want to be certain that we were able to achieve the right amount of 'drama' in order to make this a case which students wanted to engage with. To ensure this, we presented the case to a group of fellow students in order to gauge their reactions and gain their feedback. This process also provided us with an opportunity to video the presentation, allowing us to watch it back and take into account adjustments we would make if presenting this in the future. Furthermore, the feedback was taken into account to make minor adjustments to the time plan and weighting put on each part of the presentation. Additionally, we experienced a challenge in reducing the original time plan of 45 minutes, to provide us with the opportunity to practice what we would have time to include in a 30 minute case. Therefore, the time plan now contains the percentage of time used on each section, in addition to the time needed for a 45 minute case. In summary, there were a number of challenges faced when writing this case, most significantly the need to change our mindset in order to identify how people could learn from this case. There were a number of points in the process where we had to revisit and reconsider the elements which were necessary to provide an engaging case. This entire process proved extremely valuable and we felt we learnt a lot from it.

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