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Act of kindness: A study on modern day crisis handling and its effect on brand identity

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Abstract

Purpose: This paper aims to explore and examine how companies have reacted to suddenly occurring crises in the 21st century. The paper will investigate how companies have adapted – or stayed in hiding – during the COVID-19 pandemic, and how this has impacted their corporate brand identity and their core values. The paper will introduce a new framework to be used for assessing the strategic approach for companies during hard times.

Design/Methodology/Approach: The paper will consist of a literature review on the topic, as well as case studies on several companies who have positively or negatively adapted their offerings as a response to the Coronavirus crisis. These companies have taken an aggressive, adaptive, or innovative approach to crisis handling, and this paper will investigate the different approaches and their effect on the core values of their brand.

Findings: This paper presents a new framework for companies to decide which strategic approach to follow when a global crisis hits. Through case studies it is clear that companies cannot rely on their regular CSR policy, as a global crisis goes way beyond that. The brand core can be extended in three different ways; the innovative approach, the aggressive approach or the adaptive approach. This paper also finds that the last approach, the passive, should only be used when a company is not directly affected negatively by an ongoing crisis.

Research limitations/future research: One key limitation of this paper is that only a selected number of cases have been analysed. Further, it should be noted that the analysis has been done from an outside-in perspective, and for further research an inside-out perspective should also be considered. A different methodology can also be followed, by using media coverage and / or by interviewing former executives.

Theoretical implications: The paper introduces a new theoretical framework, which is tested on the COVID-19 crisis, but further analysis should be done on other crisis situations to further prove its validity.

Practical implications: This paper shows how companies, big or small, can react to global crises while also managing their brand identity.

Keywords: Crisis management, crisis handling, act of kindness, core values, product offerings, strategy approach

Paper type: Research paper

1. Introduction

Roux-Dufort (2007, p. 109) defines crisis as “a long incubation process that suddenly manifests itself under the influence of a ‘precipitating’ event.” The world has experienced major political, societal, and ecological crises during the 21st century – these have affected us as consumers and have in turn shaped the way brands react to our needs in conjunction to global events. Kapferer (2012) calls it a world of disequilibriums and predicts that tomorrow’s brands will have to foster long-term engagements and deliver a unique set of values in order to set themselves apart. But what happens when the unexpected hits and needs shift to mere survival? The attack on the Twin Towers in September 2001 happened in one city, but the whole world was watching. The financial crisis of 2008-2009 affected economies all around the world. And today, despite all the medical and technological advances of the last decades, the world is facing a global pandemic that has completely uprooted our lives and resulted in huge losses. What are brands’ roles in such hard times? How do they keep their core values strong while also being responsive to the external environment and their consumers’ shifting priorities?

Companies have long been engaging in Corporate Social Responsibility activities in order to strengthen their role at the intersection of business and society. But unexpected world crises go beyond CSR, since the reasons companies choose to involve with the wider society may differ. Global events such

as the ones listed above affect brands in many ways: financially, their market share may go down; in terms of production, their supply chain may be disrupted, making them incapable of offering their products or services to customers; political events that are out of their control may block access to entire markets or stakeholders; employees being unable to perform their job can render the business ineffective (Neufeld, 2020).

The question thus arises: if – and when – brands choose to respond to world crises, why do they do it? And how? Is staying true to their core values still their main focus, or does the impulse for working for the greater good and helping local and global communities trump all else?

This paper will investigate how brands have adapted their offerings – and in some cases their brand image – to sudden global crises, and whether this has impacted their core values. We will look at brands’ responses to the most recent crisis which the world is currently still facing: the COVID-19 pandemic. Although research on how this pandemic is shaping our lives as consumers is limited, there have been plenty of examples in the last months of companies which have stepped up to contribute to the fight against the virus – some in ways that are unrelated to their regular product and service offerings. Adaptability is essential during tough times, but how far does it go? And which traces does it leave behind?

2. Literature review

2.1 *Global crises and Crisis management*

Bundy et al (2016, p. 1662) defines crisis management as “an event perceived by managers and stakeholders as highly salient,

unexpected, and potentially disruptive” whereas (Weick, 1988, p. 305) characterises it as “low probability/high consequence events that threaten the most fundamental goals of an organisation”. Authors generally

agree, that a crisis is unforeseen, requires radical change, happens over a in a limited time and with highly uncertain circumstances (Mitroff & Anagnos, 2000; Mitroff, Shrivastava & Udwadia, 1987; Rosenthal & Kouzmin, 1997)

The vast literature on the subject of crisis and crisis management categorises these events in different ways. Lerbinger (2012) presents eight different types of crises: natural disaster; technological crisis; confrontation; malevolence; organisational misdeeds; workplace violence; rumors; and terrorist attacks/man-made disaster whereas Mitroff, Shrivastava & Udwadia (1987) classify the causes which lead to crisis by evaluating technical economic factors and people, organisational and social factors compared to respectively internal and external forces.

In the field of risk theory, sudden events are differentiated based on their predictability. Taleb (2008) presents two categories: ‘black swans’ – completely unprecedented and unforeseen events; and ‘grey rhinos’ – events that could have been predicted or met with more preparedness. From a public perspective, many global crises may fall into the first category, since people mostly feel the repercussions of the gradually accumulating events that have led to a certain event. Experts however have a different view and can debate on whether predictive actions may have been taken in the case of some disasters.

This paper will focus on the external factors surrounding crises and will not take into consideration crises which are internally routed or only affecting a specific industry or company. The main focus crises with global impact.

2.2 Managing brand identity

Brand management theory differentiates between ‘brand identity’ – the brand’s DNA and source of its positioning, and ‘brand

image’ – the receiver’s perceived benefits when interacting with the brand (Kapferer, 2012).

Since this paper focuses on the brand’s strategic direction in times of crises, brand identity is the more appropriate factor. The aim is to explore how – and if – a brand’s core values are changed when confronted with the unexpected, and thus having to react in new ways.

Core values – or kernel traits – are vital for a brand’s identity, as they convey what the brand is about and how it is differentiated in the mind of the consumers (Kapferer, 2012). However, the paradox of brand identity is that changing times may lead to a change in core values: “A clear sense of identity is necessary, for the brand meaning to be reinforced by repetition. On the other hand market fragmentation, competitive dynamism and the need for surprises call not for reinforcement but for diversification” (Kapferer, 2012, p. 243). Most brand management theory focuses on changing markets and consumer taste as the main driver for this phenomenon, but this paper will explore how unforeseen global events that do not fit in those categories can also exert a similar effect.

Another important theoretical consideration is that the brands analysed will be looked at from a strategic corporate perspective. The companies’ reactions are varied and are aimed at different stakeholders in each case therefore it is considered that these decisions are made at a strategic level. The most helpful model for this analysis will be the Corporate Brand Identity Matrix developed by Greyser & Urde (2019), where corporate brands are plotted in a three by three matrix on internal / external dimensions. One section of this paper will be devoted to analysing chosen brands through this matrix and seeing how their reaction is affecting their corporate brand.

2.3 Companies reacting during hard times

Previous research on similar topics focuses on two aspects: companies' corporate social responsibilities activities when disaster hits, and their survival techniques in these periods. This paper however argues whether the acts of kindness that will be analysed go beyond the traditional definitions of CSR, since they are unplanned and without a clear corporate strategic relation for the company.

Karaibrahimolu (2010, p. 388) states that "the demand for social projects is higher in times of financial crisis; however, it seems that companies engage in such activities less rather than more in the present crisis". Her study focuses on the decrease in CSR activities during the 2008-2009 financial crisis. Selvi, Wagner & Türel (2010) have identified certain companies that do engage in CSR activities during times of financial turmoil, but they do not follow up or increase their involvement in the subsequent period.

In a recent study, Ou, Wong & Huang (2020) showed how during the Coronavirus lockdown, American restaurants focused their reactions first with their internal stakeholders, namely employees. This is in line with other sources claiming that in times of disruption, companies initially mitigate the potential dangers for their employees

3. Methodology

This paper takes a methodological approach of case studies as well as of the development of a new framework. The case study will revolve around different brands and the actions they have taken during globally challenging periods – in this case the COVID-19 pandemic. The aim of the paper is to build a theory and framework that appeals to the strategic level of brands and how they should act in times of crisis. As the literature on the topic of brand-changing strategies and external crisis handling is very limited, this

(McKinsey & Company, 2020; EY Global, 2020). The next stages showed a wider community involvement through donations and supplies, ending however with an internal view towards the restaurants' own supply chain, as the economic burden became heavier (Ou, Wong & Huang, 2020).

In analysing companies' swift reaction to the COVID-19 crisis, agility and fast decision making from the management have been identified, most strongly in companies with a clear identity and sense of self, where the leadership considered social involvement crucial to the brand's core (Sneider & Sternfels, 2020).

Porter & Kramer (2006) differentiate between responsive and strategic CSR, depending on whether the causes aided are generic or impactful for the company's value chain. Moreover, internal and external stakeholders are always the point of focus when engaging in social responsibility. From this perspective it can be seen that the cases discussed in this paper go beyond these definitions – stakeholders change during challenging times, as does one's understanding of 'good citizenship'. A global crisis can also be in a grey zone between generic and impactful, due to the large sections of society and business it affects.

framework has been developed in order to investigate this phenomenon and its impact.

The multi-case approach is used to generate valuable insights into how different brands – smaller local companies as well as larger global corporations – react during crises. This approach is known to offer rigorous analyses, including temporal and contextual changes (Yin, 2014)

This study is based on secondary literature in the form of desk research from online

archives as well as key data from company websites. In addition, documentary data was also collected to a certain degree such as advertisements, press releases and public comments by executives. Furthermore, this paper is based upon the outside-in approach which seeks to shed light on the different companies from an outside perspective. This is in line with the corporate brand image discussed in a later section of the paper.

The paper will focus on brands' reactions during the COVID-19 pandemic, and as research on this topic is still new, the paper will rely both on available literature and

analyses, as well as company data from corporate websites and business news. The theoretical framework is a result of these studies and findings and addresses the strategic level of a company to identify and decide the direction of the brand during hard times. Furthermore, the framework was systematically tested upon all the cases used in this paper and was complemented with new insights.

The findings and conclusion of this research paper should be viewed as exploratory and the framework presented should always be used with the lack of qualitative data in mind.

4. Strategic approaches to crisis handling

Brand behaviour during a crisis is a difficult aspect for companies. Companies have to manage their stakeholders and make swift decisions in unprecedented conditions, while at the same time considering their brand and how it is perceived by customers and consumers. As this paper shows, it is during hard times that people demand and expect companies to step up their humanity. Where some companies struggle to adapt and survive hard times, some manage to use the situation to reposition themselves and convert a difficult situation to a stronger brand.

One of the more recent global crises is the global COVID-19 pandemic. A way to examine companies' reactions to a global crisis, in this case the ongoing pandemic, is by assessing them using the following preliminary framework. The framework aims to summarise and illustrate how some companies have reacted during these times and how other companies in the future can use this framework to identify and determine how to manage their brand when hit by unexpected crises. The framework does so, by assessing the extension different companies have done to core values and/or their product offerings.

Strategic approaches to crisis handling

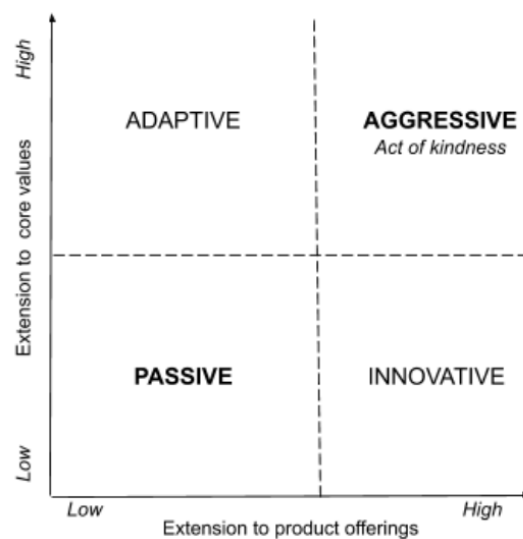


Figure 1: Strategic approaches to crisis handling (Hertanu, Hüsigg & Holm, 2020)

This framework is based on decision making on the strategic level of companies. As the data collected in this paper shows, this counts both for global brands as well as smaller companies. When deciding on the strategy to follow based on the framework, it is important to notice that the right decision can lead to tremendous social progress and a much stronger brand platform, whereas the wrong direction and decision

can result in a stagnating brand positioning, a weaker brand identity in the eyes of the consumer or – worst case scenario – to bankruptcy.

The preliminary framework as illustrated in figure 1 (Hertanu, Hüsigg & Holm, 2020), assesses any company on two different factors: the degree of change in product offerings and the degree of change in core values. Depending on this, a company may fall in one of four boxes, indicating a passive, adaptive, innovative or aggressive approach towards crisis handling.

4.1 Aggressive approach

Companies that adapt both their core values and their product offerings are taking an **aggressive approach** to crisis handling. The characteristics of such an approach revolve around extensions in both core values and changes in product offerings. These are often companies that use an already existing network to leverage or assist in helping the local and global communities survive a global crisis. This approach is also what the authors call ‘act of kindness’, as the majority of companies who fall in this category are extending their core values and their product offerings, not to their own benefit or to increase their financials, but to provide help where help is needed.

One of the companies who turned to an aggressive approach was Nike. Extending both their core values and their product offerings to respond to an urgent need for personal protective equipment (PPE) for healthcare workers in the frontline and powered, air-purifying respirator (PAPR) lenses to protect against the Coronavirus is a clear example for an act of kindness through an aggressive approach (Nike, 2020a). Michael Donaghu, VP at Nike Innovation said: “From the very beginning, we framed it up very much like an athlete project. The athlete is the healthcare worker – let’s reorient ourselves

completely around that” (Nike, 2020b) which clearly shows that the whole team at Nike was passionate about making this new product as successful as any other product they have put on the market. To top this up, manifesting itself as an act of kindness, the products were donated to the hospitals, and the Nike Foundation and Nike have furthermore committed more than \$17.5 million to global COVID-19 response efforts (Nike, 2020b).

LMVH, Louis Vuitton Moët Hennessey, is a world leader in luxury, and another example of a company who took an aggressive approach to crisis handling. When COVID-19 hit, the French authorities announced that there was a key risk of shortage of hydroalcoholic gel (LVMH, 2020a). LVMH prepared their perfumes and cosmetics production sites to manufacture a large quantity of the highly needed gel - quantities that would be delivered free of charge to French health authorities (LVMH, 2020b). This is not only a change in their product offerings, but also a major change to their core values - now working to help the greater population and health care system, compared to previously providing luxury products for high-end customers.

On April 23, the American car manufacturer Ford announced that they would start to produce face masks, PAPRs and N95 respirators, reusable gowns and collection kits for COVID-19 tests in collaboration with different partners (Ford Motor Company, 2020), which is a considerable extension to both their core values and their product offerings. Adrian Price, director, Global Core Engineering for Vehicle Manufacturing said, that “We are doing all we can to expand production and availability of personal protective equipment to help keep the true heroes – medical personnel – and our communities safe in this fight against COVID-19” (Ford Motor Company, 2020).

It is possible to take an aggressive approach without being characterised as a company acting on ‘act of kindness’. The Danish beauty brand Pudderdåserne, with a product range of soap, lotion, make-up removal, peelings, and oils, took an aggressive approach to crisis handling. Turning their production to include hand sanitizer in their product range, was a change to both their core values and their product offerings, however not an act of kindness, as the change was down with their own financial winning in mind – not for a greater good or to help a struggling community (Pudderdåserne, 2020).

4.2 Adaptive approach

Companies that make limited or no changes to their product offerings, however, make larger changes in their core values are referred to as taking an **adaptive approach**. An adaptive approach is characterised by a company’s ability to find new ways of use for existing products or services, or through minor changes to their current offering. One example is introducing the existing products to a new segment, through a new use or in collaboration with other partners. This implies an added extension to the core values, which is also a key characteristic of an adaptive approach.

Looking at the world’s largest premium rum distillery, Bacardi Limited, they took an adaptive approach to the COVID-19 situation by partnering with Olein Refinery to help produce hand sanitizers (Bacardi Limited, 2020). The company would start to produce ethanol and by shifting their processes they enabled the production of more than 1.7 million units of 10-ounce hand sanitizers – more than one third of this was donated to local communities around the Puerto Rican factory (Bacardi Limited, 2020). This was a clear shift in their core values, as they were now working not for their core values of “being the world’s leading

premium spirits house, loved for our iconic brands that bring people together for exceptional drinks” (Bacardi Limited, 2019) but instead, as stated by Jose Class, the VP of Supply Chain & Manufacturing at Bacardi Latin America and the Caribbean, to “take care of a community in need”. The change of product offerings was minor, as the ethanol needed for hand sanitizers required only a minor shift in production, but the change in core values was clear.

Danish hotel chains have also taken adaptive approaches to the COVID-19 situation. Their main product offering is still providing people a place to stay and sleep, and now as the rooms are no longer being rented out to tourists or business-people to the same extent as before the crisis, new core values are key to survival. The Danish hotel chain Sleep CPH has started renting out their hotel rooms on a monthly basis, to accommodate the scarcity of housing in Copenhagen (Akutbolig.dk, 2020). Hotel Skt. Petri and two other hotels in Central Copenhagen have taken a similar approach to the situation, but renting out their rooms on a daily basis to provide business-people with a place to work when offices are closed, and their private homes do not meet their needs (Schuldt, 2020). The hotel facilities provide a quiet working place for a small fee, thus acting as an office away from home (Schuldt, 2020). In both cases it is seen that the hotels still have the same product offering as before the crisis, but it is the change in core values – providing respectively a solution for scarcity of housing and the need for a different office setup, that determines the path of post-crisis-survival.

When the COVID-19 pandemic hit, flights were grounded all over the world, massively affecting the aviation industry. Yet, while passenger flights were no longer in the air, the need for cargo transportation rose like never before. Turkish Airlines have been using their available space to help transport

pharmaceutical and medical equipment to countries in need – their cargo transportation increased by 67% this year (turkishconnections.co.uk, 2020). While being aware of the huge toll the pandemic will have on the transportation industry, the Chief Cargo Director of the airline mentions that they were “still highly motivated to provide what was needed to our humanitarian community” (turkishconnections.co.uk, 2020).

4.3 Innovative approach

When a company stays true to their core values while making larger changes in their product offerings, it is defined as an **innovative approach**. An innovative approach is characterised by companies revisiting their product offerings to provide their target customers – or new target groups – with an updated, adjusted or brand new product or service. The innovative approach is characterised by companies still staying true to their core values, making zero to no changes here, focusing only on their market offering.

The natural cosmetics company Lush has taken an innovative approach to handling the COVID-19 situation. Lush operates in the beauty- and cosmetics business, focusing their sales around products for bath and shower, hair, face and body (Lush UK, 2017). When the COVID-19 crisis hit, it was more than ever crucial to obtain a better basic hygiene level, and being in the business of exactly that, Lush decided to open up their stores for passersby to wash their hands for free, with no obligation to make purchases. As Mark Constantine, Chief Executive of Lush said to the Guardian: “The simplest thing you can do to not get a virus is to regularly wash your hands. So we’re saying people can come in off the street and wash their hands in our place. We’ve got loads of soap and plenty of hot water” (Wood, 2020). Furthermore, being universally known as ‘the soap shop’, the company decided to use

their store windows to promote the hand-washing guidelines, inviting people in to wash their hands (Petter, 2020). This was a clear change in their product offering, as that was now providing a public place for people to wash their hands, and not to promote the selling of soap bars and other body care products. This new product offering opened up to a new target group but did not change their core values.

Another company who took an innovative approach to the COVID-19 situation, was the American coffee company Joyride Coffee. Previously a company who made their profit mainly on office customers, when the COVID-19 situation closed the majority of offices, they had to innovate to keep their business running (Joyride Coffee, 2020). While sticking to their focus of ‘making and delivering delicious, sustainable beverages’, Joyride Coffee announced a partnership with a delivery company in order to introduce a “direct-to-consumer channel, enabling coffee drinkers to have Joyride products – including freshly roasted coffee, finely sourced teas and cafe-quality cold brew – shipped directly to [customers] homes” (White, 2020). This was a clear change in their product offering, while not changing their core values, typical of an innovative approach.

Nilfisk FOOD, a subdivision to the Danish company Nilfisk, best known for their professional cleaning equipment such as vacuum cleaners, is a world leading manufacturer within low-pressure cleaning equipment (Nilfisk FOOD, 2020a). When the Coronavirus hit, one of their partners was in need of a new idea: normally a manufacturer of cleaning products for business use, they were looking for an urgent solution to make their products accessible for customer use in businesses such as grocery- or other retail stores (Dansk Industri, 2020). Nilfisk FOOD quickly developed a stand for dispensing the hand sanitizer, so customers could disinfect

their hands when entering a store, and the companies could use the same products customer-facing and business-facing (Dansk Industri, 2020). This was true to the Nilfisk mission stating that “we enable sustainable cleaning worldwide to improve the quality of life” (Nilfisk FOOD, 2020b) but a high change of product offering and therefore a good example of an innovative approach.

4.4 Passive approach

A company that chooses to keep their product offerings as well as their core values, or decides to make limited changes to these, falls in the **passive approach**. This approach can be followed for many reasons. Firstly, whenever a global crisis hits, while the majorities of the industries are highly affected and seeing major decline in their revenue, some will benefit from the crisis. One example in the current pandemic is the industry of online grocery sales, which is expected to increase by 56% in 2019-2020 (Aravanis, 2020). A company in such an industry should therefore actively choose a passive strategizing, leveraging the demand for their core values and products. Secondly, when a global crisis hits, some companies tend to fly under the radar, not being affected by the situation, as keeping above the water is the best they can do. A company in such an industry could also choose a passive approach, neither benefiting or being harmed by the situation.

Lastly, but maybe most importantly, are the companies that decide not to act on their core values and/or their product offerings, and

thereby fall in the category of passive approaches, not as an active choice but as a passive act. This is the most dangerous approach to crisis handling. Since early March more than 250 U.S companies have cited COVID-19 as a factor in their bankruptcy – both small companies and large corporations – and the numbers are expected to increase (Davide Scigliuzzo et al., 2020). Therefore, it is crucial for any company to take an active stand to their approach to crisis handling, in order to avoid revenue decline or, worst case scenario, having to file for bankruptcy.

The various companies mentioned in the four cases have been mapped in the strategic approach framework by Hertanu, Hüsigg and Holm (2020).

Strategic approaches to crisis handling – cases mapped

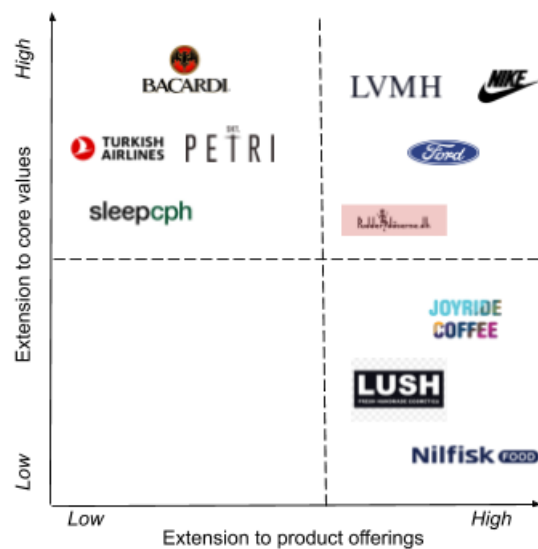


Figure 2: Strategic approaches to crisis handling (Hertanu, Hüsigg & Holm, 2020)

5. Strategic approaches and the Corporate Brand Identity Matrix

As just illustrated by the matrix of Strategic Approaches to Crisis Handling, companies can choose four paths when determining how to tackle being hit by a global crisis. Making a choice is important – making the right choice is crucial. In this regard, the

Corporate Brand Identity Matrix developed by Greyser & Urde (2019) will help give an understanding of how the brand is affected. The Corporate Brand Identity Matrix consists of nine different questions, each focusing on a specific element of the

organisation’s identity (Greyser & Urde, 2019). These, in turn, form four paths – competition, interaction, strategy and communications – which merge into the central element of ‘brand core’. As the authors state, “When a corporate identity is coherent, each of the other elements will inform and echo the brand core, resonating with the company’s values and what the brand stands for” (Greyser & Urde, 2019, p. 6)

The Corporate Brand Identity Matrix will be assessed on Nike and their aggressive approach, Bacardi and their adaptive approach and Lush and their innovative approach, with the scope of assessing any changes in their corporate brand as a result of their reaction to the COVID-19 situation. A company with a passive approach will not be assessed, as such a company will see no changes to their Corporate Brand Identity Matrix.

An aggressive approach – Nike case study

<p>Value proposition Inspiration and unity through sport.</p>	<p>Relationships Trust in our innovativeness.</p>	<p>Position Strengthen their position as a company that gives back and is involved in the local community.</p>
<p>Expression <i>Original:</i> “Just do it”. Everyone is an athlete. <i>Extended:</i> Caring and involved in supporting local communities.</p>	<p>Brand core <i>Original:</i> Inspiration, innovation, authenticity, sustainability. <i>Extended:</i> Innovation, resilience, social responsibility.</p>	<p>Personality <i>Original:</i> Inspirational and athletic. <i>Extended:</i> Reliable and innovative.</p>
<p>Mission and vision To do everything possible to expand human potential by creating ground-breaking sport innovations, making our products more sustainable, by building a creative and diverse global team and by making a positive impact in communities where Nike operates.</p>	<p>Culture Sporty and innovative in a sustainable way.</p>	<p>Competences Years of experience in the sport industry as one of the world market leaders. Using their extensive competencies in innovation, production and manufacturing to come up with large productions of medical face shields.</p>

Table 1: Case applied to Corporate Brand Identity Matrix (Greyser & Urde, 2019). Source: Nike, 2020.

In Nike’s case, the Corporate Brand Identity Matrix is showing change on the communication line, comprising expression, personality and of course brand core (Greyser & Urde, 2019).

Nike’s expression is heavily reliant on its “Just do it” attitude and on their belief that everyone is an athlete (Nike, 2020). Following their response to the COVID-19 crisis, an extra layer is added: they express

themselves in a caring way, a company involved in supporting local communities.

Nike’s brand personality is originally one of inspiration and athleticism, based on their relentless work to improve their customer’s experience with their sport equipment products. Their extended personality is one of reliability and innovativeness, as can be seen from their swift and effective response of producing medical supplies when it was most needed.

In the centre of the matrix, the brand core also undergoes a change for companies following the aggressive approach. Nike’s original core values are inspiration, innovation, authenticity and sustainability (Nike, 2020). Their extended brand core keeps the innovation element – since their major shift in production from sport shoes to medical face shields and protecting equipment is a clear proof of innovativeness – but the dimensions of resilience and social responsibility are added. Nike’s brand image now carries a much heavier aspect of being a trusted company that will aid their communities during

hard times, doing so effectively and immediately.

It is important to note that the communication line is described by Greyser & Urde (2019) as expressing corporate brand identity both internally and externally: it is aimed at their external stakeholders, such as customers and the wider community, but also reflects internally through their strategic direction. The aggressive approach taken by Nike thus offers an extended communication aspect to the corporate brand.

An adaptive approach – Bacardi Limited case study

<p>Value proposition Premium drinks offered to the many people who like to have a good time.</p>	<p>Relationships Bacardi strives to be the catalyst for connection between people.</p>	<p>Position <i>Original:</i> The drink to have with close friends <i>Extended:</i> Bringing people together, creating a community around the brand - stronger together.</p>
<p>Expression The Bacardi way: being good spirited.</p>	<p>Brand core <i>Original:</i> Bringing people together for fun and exceptional drinking times. <i>Extended:</i> Take care of a community in need.</p>	<p>Personality Fun and good times circling around good company.</p>
<p>Mission and vision <i>Original:</i> Strive to be the world's leading premium spirits known for their iconic brands that bring people together for exceptional drinks experiences. <i>Extended:</i> A family business focused on resilience, optimism, and community in order to make us all stronger during challenging times.</p>	<p>Culture One big family of “fearless” employees who see the Bacardi brands as their own.</p>	<p>Competences 150 years of experience in a broad range of premium brands (stretching wide on various drinks).</p>

Table 2: Case applied to Corporate Brand Identity Matrix (Greyser & Urde, 2019). Source: Bacardi, 2020.

Assessing the impact on a company’s Corporate Brand Identity Matrix when choosing an adaptive approach to crisis handling, the

previously presented case of Bacardi – extending their core values and making minor adjustments to their product – is a good

example. By choosing this approach, the company has made the most distinctive changes to their mission and vision, brand core and their position, deeply affecting the strategic aspects of their brand identity.

From a mission and vision revolving around premium spirits, iconic brands and bringing people together for exceptional drinks experiences (Bacardi Limited, 2019) their new, updated mission and vision revolves around having endured their fair share of challenging times, having learned that resilience, optimism and a united community will make everybody stronger in the face of the unknown. The new twist to their mission and vision indicates a company, who have understood the importance of reacting to a crisis situation.

The position of Bacardi has also seen modifications: from one of providing a drink to share with close friends (Bacardi Limited, 2019) their new, extended position includes

An innovative approach – Lush case study

Assessing the impact on the Corporate Brand Identity Matrix from a company choosing an innovative approach to crisis handling, the case of Lush will be evaluated. The change in their case can be seen on the Competition axis, which includes value proposition, brand core and competences.

With their swift reaction to the COVID-19 situation, Lush's value proposition has an extended factor of hygiene – their natural and organic products can be used for simple hygiene purposes now in their stores, which adds value to the customers. The world has been reminded of the importance of hand washing once it had to face this virus, and Lush is doing its part in helping its community easily do just that.

This also adds to their competences, as their stores are now more than a place to just

bringing people together, creating a community around the brand. Furthermore, the thought of being stronger together goes hand in hand with the extended mission and vision of the company.

Lastly, their brand core has undergone changes too. From being a company focused on bringing people together for fun and exceptional drinking times (Bacardi Limited, 2019) their brand core has extended to now also taking care of a community in need, clearly reflecting the extended mission and vision as well as the extended position of the company. True to an adaptive approach, one of the things that will see a major change – or extension – is the brand core, which is also true for the Bacardi case.

From this example it can be seen that choosing an adaptive approach to crisis handling will imply changes to a company's strategic direction in the corporate brand identity matrix.

experience their products and the world of pampering Lush offers – they're also a place that assists its customers with the most basic of precaution measures in these times. Lush's stores are a staple of the brand, as they offer a holistic experience where customers can smell, taste and sample the products (Tennant, 2020). The store is the customers' main touchpoint with the products, and they now fulfil an added value of offering easily accessible safety precautions against the Coronavirus.

This comes together in the brand core, where a change can be seen for Lush. Their organic products originally aim at offering a feeling of happiness and freedom, but with their community-focused reaction during the COVID-19 pandemic, an extended brand core is identified: keeping customers and

their families safe in the most sustainable way. The Lush brand always bears the sustainable characteristics at its core, but now

these contribute to a much broader scope of safety and health for their community.

<p>Value proposition <i>Original:</i> We believe in making effective products from fresh organic fruit and vegetables, the finest essential oils and safe synthetics. <i>Extended:</i> We offer the highest quality hygiene products made of organic ingredients.</p>	<p>Relationships A trusted producer of ethical and natural products.</p>	<p>Position The organic and healthy soap shop.</p>
<p>Expression Simple “naked” design of natural products.</p>	<p>Brand core <i>Original:</i> Happiness and freedom through fresh and organic beauty products. <i>Extended:</i> Keeping our customers and their families safe in the most sustainable way.</p>	<p>Personality A happy, creative and caring company.</p>
<p>Mission and vision To make products by hand with only vegetarian ingredients and little-to-no preservatives</p>	<p>Culture A company that do business without exploiting people, animals and the planet with employees that represent and carries the same values.</p>	<p>Competences <i>Original:</i> Distinguishing quality and improving health through all-natural handmade products. <i>Extended:</i> Using our high-quality products and in-store experience to assist our communities in times of need.</p>

Table 3: Case applied to Corporate Brand Identity Matrix (Greyser & Urde, 2019). Source: Lush UK, 2020.

6. Discussion

This paper advances the literature on strategic decision making during hard times by analysing specific cases from the COVID-19 crisis as well as in-depth analysis of three brands – Bacardi, Lush and Nike – in the ongoing global Coronavirus crisis. This study has documented that it is of high importance that companies decide which of the four strategic approaches they select in order to manage their brand identity during challenging times. The main challenge for companies during hard times is to identify at an early stage how and where they will respond to the

new reality of not only their own world but more importantly the customers' new world. As the different cases emphasize, a company can only obtain the predicate to ‘act of kindness’ if they choose and succeed in extending their brand core by extending the communicative expression and personality of the brand.

The results of this study have significant implications for practitioners on a strategic level, in particular executives and other decision-makers on the highest level of

companies. Decision makers can learn and use from this study in order for them to know how to behave and where to extend when a global crisis inevitably is going to strike sooner or later. The framework presented in this study can be used for executives to more precisely plan the allocation of investment and required extension both internally and externally.

However, it is important to mention that this study was conducted without the involvement of executives or other representatives from the selected companies examined in the cases. Having included such findings and

7. Conclusion

This study has argued that companies, no matter how big or small and no matter how global or local, must take a clear stance when a global crisis hits. The importance of taking the right decision and the right approach can be crucial for companies to navigate through and survive hard times. As this paper shows, different firms have chosen different approaches, which all resulted in changes and extension in their brand core.

When choosing an adaptive approach as in the case of Bacardi, a company will extend, on an external level, its position in the market and in the heart and mind of key customers and stakeholders. This approach will also extend, on an internal level, the brand's mission and vision. These two parameters will result in a new extended brand core of a given company in a strategic way.

However, companies who choose an innovative approach will have different extensions in their brand core. The innovative approach will lead to external extensions on their value proposition, their offerings to customers and how they appeal to customers and stakeholders. Additionally, the company will focus on the competition aspect, as they will also have to extend their competences to

insights, the findings of the paper and the application of companies to the matrix might have had a different look. For further evaluation, the matrix could and should be tested using an inside-out approach to compare with the outside-in approach used in this paper. This, both to validate the validity and reliability of the matrix, but also to test possible differences in the application of the matrix in outside-in and inside-out approaches.

Finally, it is essential to notice that this study has come with a framework applicable to every industry and company size.

fit the new offerings. This approach is exemplified by the Lush case, where the company extended its value proposition from healthy and organic products to high-quality hygiene products made from natural ingredients. Lush also extended their original competences by innovating their original customer experiences from their stores towards helping the surrounding community.

This study argues that in order for companies to be perceived as acting kind and with the best intentions, they have to go with the aggressive approach. The aggressive approach has, as illustrated in the Nike case, the characteristics of extending its brand core through communication both internal and external. The firm will extend its expression to fit the new approach by presenting themselves in a recognisable manner. Furthermore, the firm will extend its personality and the human characteristics and qualities of the brand.

Lastly, companies can choose the passive approach. The passive approach is, as the name indicates, one which sticks to the originality of the brand core and does not extend either on the internal or external level. This approach is often used and can be used in the

future for companies that operate in an industry not affected negatively by a global crisis.

No matter the approach chosen by a company, it has crucial implications on their Corporate Brand Identity Matrix, and that should too be considered when choosing the approach right for a given company.

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