

Swedbank's never-ending crisis

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

This teaching plan is a complete guideline on how to teach and present the case of Swedbank and the money laundering scandal. Building upon existing literature such as corporate communication and reputation, crisis management and image repair theory, the case serves as an example of how a brand that has been through a major crisis can build up their trust and reputation with a focus on long-term brand management.

The role of the teaching plan is to provide assistance to the presenter on how to handle an effective presentation, with the help of a comprehensive literature background, and a challenging discussion with the aim to achieve the key learning objectives mentioned in the guideline. First and foremost, the document called “written case” will be handed out to the students in order for them to get a good background and history of Swedbank and the different steps and decisions they took during the crisis, which then will end with a management question. Hence, the document serves as a preparation for the upcoming discussion in class, who will act as the Swedbank’s executive board that must come to a potential solution. The decisions that the executive board made in reality are described in the document called “Management decision” which the students will take a part of first after the discussion. Consequently, the teaching plan gives the presenter the knowledge he or she needs in order to present a good case in class. Thus, a summary of the main takeaways of the case, the key objectives, recommendations for teaching techniques, ending with a time and board plan and a reflection. The targeted audience in this case are Master students of the course ‘International Marketing and Brand Management’.

Case synopsis

In February 2019 ‘Mission: Investigate’ revealed that the Swedish bank Swedbank had been used for extensive money laundering. Swedbank first denied their involvement, but after pressure from the media, the bank launched an internal investigation where they found evidence of money laundering. The money laundering scandal and the aftermath of Swedbank’s poor handling of the crisis have affected Swedbank’s reputation and the way they are perceived by their customers. Furthermore, as the investigation regarding the money laundering is not over yet, the company still faces possible situations where they have to address questions regarding the crisis. Therefore, the following question arises:

How can Swedbank rebuild their long-term reputation after the crisis?

Learning objectives

Through reading and analysing the case, all participants should have gained foundational knowledge in areas such as: Corporate communication, Corporate brand reputation, Crisis communication and Image restoration. The mentioned topics will build a foundation for understanding how poor crisis management can affect the brand in the long-term perspective, and which areas need to be addressed if another crisis should occur.

The Swedbank case will provide insights on how to rebuild reputation and increase trust in the time following a crisis. The Swedbank brand was prior to the crisis rated in top of trust polls, but after the crisis ranked at the bottom in similar polls. Even if the case example stems from the financial industry, the findings can still be applied to other corporate crisis situations where a company's reputation has been damaged by a crisis. Hence, many of the lessons learned from the Swedbank case can be applied to other situations, and the case can thus be considered as an “evergreen case”.

Corporate communication

According to Roper and Fill (2012) corporate communication is to manage the ways stakeholders perceive the organization. Rindova and Fombrun (1999, cited in Roper & Fill, 2012) state that a competitive advantage can be developed through corporate communication that influences stakeholders' perceptions of an organization. Furthermore, corporate communication is described as having two primary roles (Roper & Fill, 2012):

1. Influence the way stakeholders perceive an organisation and shape reputation.
2. To inform, influence and guide corporate strategy.

Corporate communication is a way of presenting an organisation so that stakeholders recognize, understand, like and interact with the organisation in a way that is desired (Roper & Fill, 2012). According to Roper and Fill (2012) corporate communication can also be used to reduce stakeholder uncertainty. Through communicating transparency, organisations can enable stakeholders to develop an understanding of the operation as well as increase reputation (Roper & Fill, 2012). During the initial time of the Swedbank crisis, their lack of transparency and communication can hence have affected their reputation from the perspective of their stakeholders. Moving forward, drawing on Roper and Fill's (2012) reasoning, Swedbank should be more transparent regarding issues. A higher degree of transparency and honesty have partly been initiated already, as Swedbank later on admitted that they had handled the process poorly and that they would pay the fine. Furthermore, Swedbank's new CEO stated that Swedbank has had shortcomings in handling the customers, owners and society's trust, this demonstrates that Swedbank have admitted to the poor handling of the situation. The importance of transparency was further highlighted by Johan Bryngelson, Head of Group Brand and Marketing at Swedbank, during an interview. One example given during the interview was that Swedbank have appointed a third party to investigate further as well as appointed a new CEO and head of the board.

Furthermore, Roper and Fill (2012) emphasises that in times of unexpected change, corporate communication needs to be adaptive and flexible in order to prevent the damage caused by crisis. Moreover, acting fast can also affect the speed of recovery. The Swedbank crisis went on for a long while, and is still in some senses going on, and Swedbank communicated insufficiently for a long while. Drawing on the reasoning of Roper and Fill (2012) one potential learning from the Swedbank case could, thus, be to have more flexible, fast and adaptive communications. Johan Bryngelson reasoned during the interview that in the crisis it was hard to keep up with news as Swedbank did not have all the information themselves. Now after the crisis Swedbank is better equipped with strategies for how to address issues related to the crisis. Johan Bryngelson reasoned, in line with Roper and Fill (2012), that Swedbank now aims at responding as fast as they can and with working proactively with communicating as soon as they receive information.

Another way that Swedbank communicates to rebuild trust after the crisis, which was mentioned by Johan Bryngelson during the interview, is a focus on communication that aims towards strengthening the brand. For example, during the Covid-19 pandemic, Swedbank's marketing campaigns were focused on providing answers to the most commonly asked questions. By shifting focus in marketing and communication efforts, Swedbank have used what Roper and Fill (2012) refers to as message framing, which can enhance reputation. Framing involves development of messages that highlights certain issues to draw attention to positive rather than negative elements in the communication. Through focusing communication on reputational elements and helping customers instead, Swedbank can thus shift focus from the crisis. Johan Bryngelson mentioned during the interview that Swedbank's communication efforts during the pandemic have increased Swedbank's trust in polls. Hence, it could be argued that being trustworthy, but focusing communication efforts on shifting the customers attention to positive elements, is a good start in rebuilding reputation.

Management communication

One part of corporate communication is the management's role of communicating the vision and values of the organisation to external stakeholders (Roper & Fill, 2012). This is referred to as management communication. Roper & Fill (2012) also emphasizes the symbolic leadership role of the CEO and states that the reputation of the CEO is linked with the reputation of the firm. Management communication is important when an organisation experiences substantial change. Drawing on the case of Swedbank, the CEO Birgitte Bonnesen was fast to state that Swedbank had not been involved in any similar matters as Danske Bank. Following the 'Mission: Investigate' episode Birgitte Bonnesen argued that Swedbank reacts to suspicious behaviour and transactions.

However, it was only due to the massive amount of media attention and pressure that the bank decided to launch an internal investigation regarding the case. Shortly after, Birgitte Bonnesen admitted that Swedbank had in fact found evidence of money laundering.

Birgitte Bonnesens way of communicating during the crisis, by first denying and then filing an investigation after increased media attention, did not increase the trust for either her or Swedbank as a corporation. Furthermore, Swedbank's processes and lack of information regarding the crisis make Birgitte Bonnesen appear as a cold character of a global corporation rather than a person with human characteristics who are susceptible to faults. However, after Birgitte Bonnesen was fired, Swedbank appointed Jens Henriksson as new CEO with one of his stated focus areas was to regain trust. The appointment of the new CEO seems to have been the start of a shift. During the interview with Johan Bryngelson, he mentioned that the process of rebuilding their customers' trust has been done in several phases. Johan Bryngelson mentioned during the interview that one important factor with appointing a new CEO and chairman is that they do not have the negative load that the previous CEO and chairman had.

Drawing on the Swedbank case, it is possible to learn several things about management communication. Appointing a new CEO that is given a fresh start and the possibility of communicating vision and values in a more trustworthy way might be a good way of shifting focus. Especially, if the CEO of a company in crisis has been associated with the company's poor acting during the crisis, as Birgitte Bonnesen.

Corporate brand reputation

‘the opinions that are generally held about someone or something’ or ‘the estimation in which a person is held, reputed, known or reported character, general credit, fame, renown’ (Roper & Fill, 2012 p.6).

Drawing on the above-stated definitions, reputation is a combination of the impressions and views from various people that are usually held by the many (Roper & Fill, 2012). Roper and Fill (2012) further explain that reputation can be seen as a representative evaluation of a brand's identity and a summary of both employee and customer satisfaction, financial performance, and other indicators. Hence, the reputation is a snapshot that reconciles multiple images of an organization that is both formed internally and externally. Roper and Fill (2012) further stress that an organization can receive benefits from a positive reputation and in order to form a well-respected reputation it needs to include, among other things, communication about the firm's mission, the talent of its employees, and the quality and professionalism of its leadership.

Corporate Brand Identity and Reputation Matrix (CBIRM)

The Corporate Brand Identity and Reputation Matrix (CBIRM) is a combination of the original corporate brand identity matrix (CBIM) together with an extension of corporate reputation. The function of the matrix is to simplify the process when structuring and evaluating a brand in success and/or in crisis (Greyser & Urde, 2016). The matrix is structured as three-by-three and touches on different aspects of identity and covers the external, internal and the core of the brand (Urde, 2013). In addition, the CBIRM matrix (Exhibit 1) adds one more outer layer – eight elements of reputation which are: relevance, trustworthiness, differentiation, credibility, performance, responsibility, willingness-to-support and recognition. The company's brand core shapes the surrounding elements with a reflection of the promise and values which further builds the reputation (Greyser & Urde, 2016). Thus, this implies that any reputational damage may affect the brand's essence.

As Swedbank was accused of money laundering, the company faced a severe crisis that threatened the brand's essence (Figure 1). In addition, most elements in the matrix were affected both internally and externally, but especially the reputation. The crisis itself caused a loss of trustworthiness and performance for their operations, in addition the lack of consistent communication that took accountability for the crisis resulted in a loss of credibility. Hence, the performance, credibility and trustworthiness were affected on a larger scale. This damaged the value proposition and the position which led to a lower level of relevance on the market. The Swedbank case becomes an interesting example as their poor handling of the crisis affected their reputation and continues to affect the public's perception of them up until today. Hence, the following questions arise: How did Swedbank handle the crisis when it first arose? How should they rebuild their reputation in the long-term?

Figure 1: Corporate Brand Identity and Reputation Matrix (Urde & Greyser, 2016) applied to Swedbank

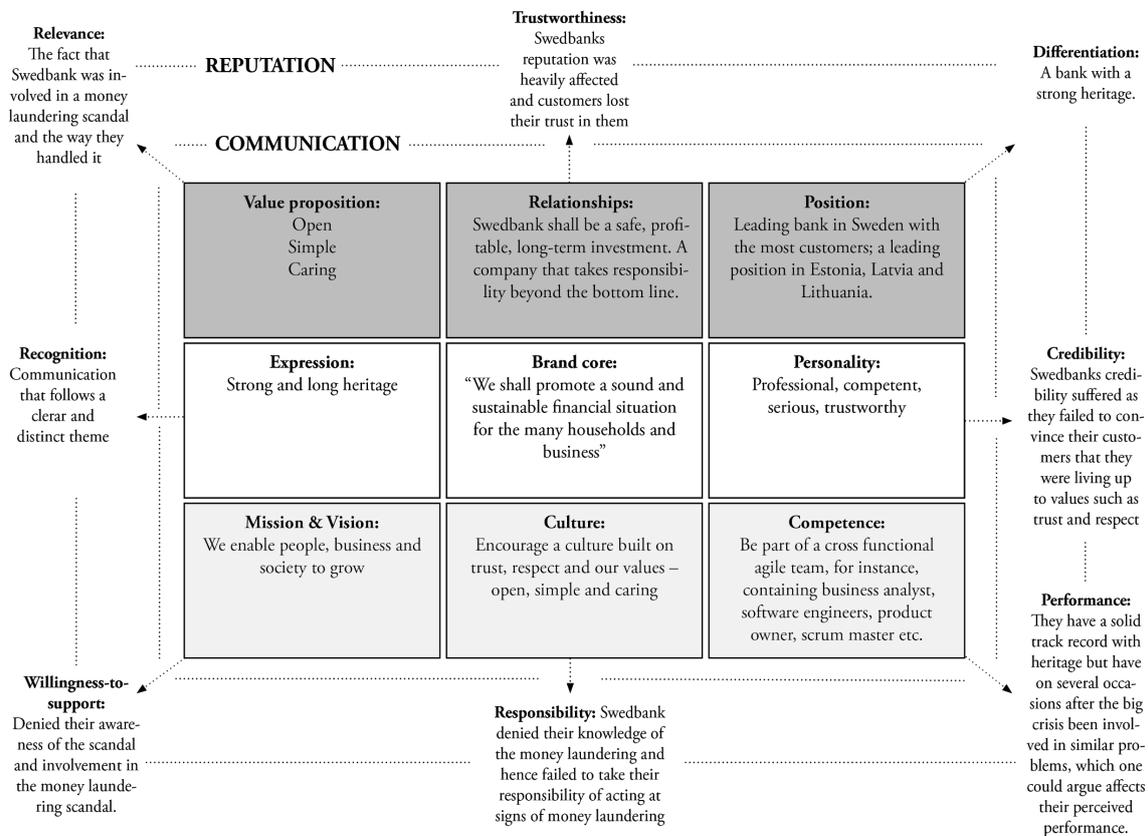


Image repair theory (IRT)

In order to understand how Swedbank should have handled the crisis, and how they can rebuild their reputation for the future, we now present the *Image repair theory*. An organization or a company can end up in crisis situations for various reasons. They can end up in a crisis due to an accident or faulty actions by the management. Frandsen and Johansen (2017) explain that if an external and internal crisis is not handled correctly, the company may face a double crisis that arises through a previously poorly managed crisis event. In Swedbank's case, it could be argued that the company faced a double crisis due to incorrect and poorly managed communication about the situation which resulted in customers being confused and, in some cases, left the bank. This information is relevant in order for the students to get a wide picture of how to handle the after-crisis. Furthermore, several theories have been developed on how to handle a situation like this, and image repair theory is one of these theories (Frandsen & Johansen, 2017).

The theory, developed by Benoit (1995), has a rhetorical ground and is based on how companies and individuals that have been accused or suspected of irregularities, can use different defence strategies to repair or rebuild their reputation (Frandsen & Johansen, 2017). Moody-Ramirez and Cole (2018) further explain that image repair has become an important part of conflict management since the image of an organization must contain their ability to project a perception of power, character, trust, leadership, and name recognition. Furthermore, Frandsen and Johansen (2017) stress that the theory can be used as a theoretical approach in order to understand communicative behaviour in a crisis situation and in the end also use the theory as a practical tool for managing a crisis. The theory also focuses on how to formulate one's messages to restore trust and repair the organization's image.

Benoit (1995) has divided the theory into five strategies where the organization can use one or a combination of the strategies in order to repair a damaged image when confronted with an embarrassing situation. They are (1) denial of the accusation, (2) evading responsibility of the act, (3) reducing the offensiveness of the accusation, (4) offering corrective actions, and (5) mortification or apologizing (see Table 1) (Moody-Ramirez & Cole, 2018). After the introduction of the strategies, Benoit gives suggestions for how to effectively restore the image (Moody-Ramirez & Cole, 2018). First and foremost, a company needs to perform persuasive discourse and if the organization is guilty, they need to admit it immediately since it is crucial to successful image repair. When doing this, Benoit suggests the use of *corrective action* and *mortification* (Moody-Ramirez & Cole, 2018).

Table 1: Image Restoration Strategies (Benoit, 1995 mentioned in Moody-Ramirez & Cole, 2018)

<i>Image Repair Theory</i>	
15	
Table 1.1 Image Restoration Strategies	
<i>Image Restoration Tactic</i>	<i>Description of Image Restoration Tactic</i>
Denial	Simple denial—did not perform the act Shifting the blame—act performed by another
Evading of Responsibility	Provocation—responded to act or action of another Defeasibility—lack of information or ability Accident—act was unintentional mishap Good Intentions—meant well in doing the act
Reducing Offensiveness of Event	Bolstering—stress good traits Minimization—act not very serious Differentiation—act is less offensive than it appears Transcendence—act is negative, but other vital considerations at stake Attack accuser—reduce credibility of accuser Compensation—reimburse victims and affected persons
Corrective Action	Plan in place to solve and prevent action from reoccurring
Mortification	Take responsibility and apologize for action

Benoit (1995).

In the case of Swedbank, the theory is relevant since the after crisis was dependent on how the organization handled the main crisis. Since the theories focus on how Swedbank can convince and change people's image of the crisis, the students will be able to analyse the event and acknowledge how and which tools they need to use to regain a good reputation.

From the start, Swedbank chose to adopt the strategy of *simple denial*, since they said that the accusation was not true and that they had not been a part of this money laundering. The CEO Birgitte Bonnesen talked to the media and explained that Swedbank is a bank that has invested resources in order to prevent these kinds of incidents. However, according to 'Mission: Investigate', Swedbank knew about the money laundering and kept the information from the Swedish Financial Supervisory Authority. Drawing on Benoit's (1995) suggestion on admitting when the organization in fact is guilty, Swedbank's chance to restore their image was in one way lost since they denied the accusation instead of admitting to the malpractice. Furthermore, Birgitte Bonnesen tried to shift the blame by explaining that some suspicious customers tried to take advantage of their financial system and also tried to compare their actions to how much money laundering Danske Bank had been accused of, and hence shifted the strategy from *simple denial* to *shifting the blame*.

However, after some internal investigations, Swedbank realized that they had missed the evidence of money laundering and thus the new CEO went to the media in order to explain the situation and thus adopted the strategy of *mortification* and asked for forgiveness, which is in line with Benoit (1995) suggestions.

Drawing on Swedbank's actions during the crisis we can conclude that in order for a brand to minimize the damage to the reputation, a brand should not act in accordance with Swedbank. Over one year later, Swedbank sought help from the communication agency Kreab for crisis communication, which in this case was a bit late. As mentioned earlier, Swedbank faced a double crisis due to poor handling of communication and if the organization had handled the crisis communication in the right way from the beginning, they would probably not have suffered from this after-crisis and such a huge reputational damage.

Johan Bryngelson explained during the interview that after the former CEO got dismissed, Swedbank started from scratch and tried to investigate the whole crisis. They were transparent and did all the investigations with an independent third party. At the same time, they tried to form a plan and a strategy on how to rebuild the trust they had lost. Johan Bryngelson explained that communication in general is very essential. Nevertheless, Swedbank do also need to show upon actions and remind people of what Swedbank stands for in order to prove to the customers that they have changed and want to redeem for their wrongdoings. This strategy goes in line with *corrective action* where the company tries to solve but also takes actions in order to prevent the crisis from happening again. Johan Bryngelson explained that Swedbank took the opportunity to lift questions and continue their financial support for the society during the Covid-19 pandemic. This can be connected to Swedbank trying to redeem their performance, credibility and trustworthiness post-crisis. This is also a way for Swedbank to “speed up the process” to regain trust towards the customers and the society. Hence, they are trying to engage in society, remind people of who Swedbank really is and their mission, but also talk to their customers and help them with difficult questions that may occur during a crisis. Drawing on the conclusions of Roper and Fill (2012) made in order to have a well-respected reputation it can be concluded that Swedbank is following their suggestions in order to have a chance of regaining their trusted reputation for the future.

Crisis communication

Roper and Fill (2012) make a distinction between issue and crisis management. Issues can be managed quickly by the organization if they scan the environment to detect shifts in opinions regarding the industry or the organization (Roper & Fill, 2012). The issue can shift to a crisis if the media and the public attention increase to the degree where the organization is required to address the issue. The Swedbank situation shifted from an issue to a crisis when the Swedish public service company SVT revealed that Swedbank was suspected of conducting money laundering. Furthermore, Roper and Fill (2012) reason that crises often damage organizations’ reputational capital. Referring back to the Swedbank case, polls that measured the reputation and the experienced trust from companies were heavily affected by the scandal as the bank went from being considered among the top five in reputation in Sweden to being among rock bottom (Göteborgs-Posten, 2019). This reflects that their reputation was affected by the scandal. Furthermore, several other banks, such as SEB and Danske Bank were also involved in the scandal but have not been criticized to the same extent as Swedbank has been. This could be argued to confirm how poorly Swedbank handled the crisis both in a short- and long-term perspective. Augustine (1995) describes six stages of crisis management and actions that should be taken for each of the stages, and this may have impact of how the brands reputation will be viewed in the long-term perspective:

Table 2: Six stages of crisis management (Augustine, 1995)

Stage	Suggested actions to be taken	How Swedbank acted
1. Avoiding the crisis	Survey the landscape for potential threats, discretion and privacy, limit involvement to few people.	Danske bank was accused of money laundering in the Baltic states, Birgitte Bonnesen, CEO of Swedbank, states that their bank has not been involved in any similar matters and that the companies responsible for the Danske bank money laundering are not customers of Swedbank.
2. Preparing to manage crisis	Make plans for dealing with the crisis, search for subtleties.	15 majority shareholders in Swedbank were given insider information concerning the scandal.
3. Recognizing the crisis	Recognize that there is in fact a crisis, investigate and understand the crisis.	Swedbank launches an internal investigation as a response to pressure from the media.
4. Containing the crisis	Appoint a group of individuals working full-time to contain the crisis, appoint a spokesperson, communicate with customers and stakeholders.	Swedbank conducts an external investigation and appoints a group with the task of detecting suspicious behaviours related to money laundering.
5. Resolving the crisis	Speed is the essence.	Enhanced commitment in getting to the bottom of the actual crisis. Swedbank appoints new CEO and chairman. They admit that Swedbank have had a shortcoming in the handling of the customers, owners and society's trust.
6. Profiting from the crisis	Opportunity to recoup some losses and begin to repair the dislocations.	Communication with focus on strengthening the Swedbank brand.

According to Greyser (2009), it is important to recognize that this issue is generating reputational trouble as well as evaluating who the involved publics are. The most serious reputational issues are the ones that have an impact on the essence of the brand and that affect the distinctive attributes that are associated with the meaning of the brand (Greyser, 2009). The values that Swedbank promotes on their website are “open”, “simple” and “caring”. Furthermore, as Swedbank is a bank, they are entrusted to manage people's money and it is hence important for them to build trust to their consumers as well as to have a good reputation. This is further emphasized in the interview with Johan Bryngelson, who stated that Swedish customers have a lot of trust in the banks, almost like the trust they have for authorities. The crisis thus affected the attributes associated with the meaning of the brand, which makes it very serious.

Furthermore, Greyser (2009) states that the best way to handle bad news about a company which is true is through admitting, addressing the problem, and supporting initiatives with credible communication. In the event of a crisis, it is further important to focus on giving credible responses, take action that builds up the reputational reservoir, and note that the CEO is the ultimate guardian of the reputation. During the crisis, Swedbank’s former CEO Birgitte Bonnesen handled the communication poorly, which has affected the way customers view Swedbank today. Swedbank’s handling of the crisis can also affect the perception of the bank in the future. Drawing on the conclusions of Greyser (2009) Swedbank should try to build up their credibility, and we argue that one step in the right direction was when they appointed the new CEO, which was appointed with the aim of focusing on rebuilding trust. Furthermore, drawing on Greyser (2009) the new CEO has also acted in a correct way when admitting that Swedbank has had shortcomings in the handling of the customers, owners, and society’s trust.

Overview of Key Learnings

The Swedbank case example should allow the reader to achieve key learnings within the areas of corporate communication, crisis communication, corporate reputation, and image restoration. The following table reflects the key learnings of the case:

Table 3: Key learnings

	In the case of companies	In the case of Swedbank
Remembering	... how companies can best manage a crisis situation and how this affects their corporate reputation	The aftermath of the Swedbank money laundering scandal
Understanding	...how different techniques, methods and communicational models can be used to mitigate any reputational damage for a company as a result of a crisis	Applying key concepts from the teaching notes
Applying	...key corporate brand management concepts and models to frame and solve crisis situations which have possible impacts on corporate reputation	Applying key concepts such as corporate communication, corporate reputation, crisis communication and the Image-repair theory
Evaluating	...the way the crisis was managed and the results, both long-term and short-term	How Swedbank can rebuild their reputation in the aftermath of the crisis
Creating	...an action plan for crisis management and measures for reputation impact	Suggestions for how Swedbank moving forward should work with rebuilding their long-term reputation

Discussion Questions

In order to fulfil the learning objectives and achieve an engaging discussion, it is recommended for the presenter to start with a straightforward question:

How can Swedbank rebuild their long-term reputation after the crisis?

Furthermore, it is recommended to follow up with the assisting question in order to keep the discussion alive:

- How should they proactively work to reduce the after crises that may arise?
- How should Swedbank address the media when asked about the crisis?

- How can Swedbank take advantage of the external events happening in the world (e.g., Covid-19) in order to regain trust from their customers?
- How should Swedbank deal with the crisis internally with both a short- and long-term perspective?

Even though there are assisting questions, the presenter can choose to ask other similar follow-up questions since the discussion primarily depends on the audience's knowledge, motivation, and background. Hence, the presenter should consider which questions to ask and allow minor changes that will develop the case further. However, a smooth shift between the questions is strongly recommended.

Teaching Suggestions

This chapter provides the presenter with suggestions on how to form the teaching process. Hence, the aim is to give a recommendation of a teaching approach that can support the achievement of the learning objectives and make the lecture more interactive and motivating. This section includes a detailed guidance along the process of planning, conducting and concluding the case for the first time. We further recommend that the presenter use an appealing PowerPoint along with a digital whiteboard where both the presenter and the students can write down learnings and thoughts during the case.

Pre-presentation and introduction phase

In order for the students to get a good perspective of the case, a short storytelling-session is recommended. An example could be "It was a cold and grey February morning when Birgitte Bonnesen, the current CEO of Swedbank, was routinely looking through the business pages of the newspaper, getting ready for yet another long day. Then suddenly her phone starts buzzing and does not stop for yet another set of minutes. The news is out. All major publishing houses and media companies are discussing the latest episode of 'Mission: Investigate' by the Swedish public service company SVT, a program for investigative journalism.". Hence, the students will get in the right mood and feel the drama that the case entails which will make it easier for the students to come to conclusions. After the story is presented, we recommend giving some basic background information about Swedbank and then follow up with a presentation about the case and the management question. The main purpose of this phase is "to inform" the students with all necessary information in order for them to come up with good recommendations.

Discussion phase

In this phase, we suggested that the presenter take a step back and ask the students to take on the role as one of the members of Swedbank's Executive Board.

The presenter will leave the main question on the screen and if the case is done digitally the presenter divides the students into breakout rooms in order for the students to elaborate their thoughts about the question. If the case is done physically the presenter can suggest that the students can elaborate with the peers next to them. After the team discussion, the students will return to the main session and then the presenter should keep a neutral role and let the students discuss what they concluded in their teams. The presenter should try to keep the discussion going and add follow-up questions if needed. It is also important that the presenter organize the discussion, so all students have the ability to speak their opinion. At the end of the discussion, it is recommended that the presenter asks one student to give a short summary of what has been discussed.

Concluding phase

In this phase, the presenter should inform the students about Swedbank's management decisions. Along with this, the students should evaluate the decisions and compare them to their own recommendations and in that way acknowledge other perspectives, advantages, and disadvantages, strengths and weaknesses. This also gives an opportunity to further discussion if the time allows it. Here the presenter can also go back to the whiteboard and together with the students try to summarize the main learnings from the case.

Board Plan

The board plan should be used to organize the discussion. The headlines serve as a guide to prepare the instructor for how the case can be assessed. Furthermore, the structure can be used to organize the outcomes from the discussions in the class divided into the categories of: challenges, alternatives and actions. Below, possible challenges, alternatives and actions are listed.

Table 4: Board plan including possible challenges, alternatives and actions for the rebuild of long-term reputation

Challenges	Alternatives	Actions
Reputation hurt by the crisis	<ul style="list-style-type: none"> ● Enhance the trust ● Management communication that is truthful ● Rebuilding the trustworthiness ● Shift focus to being related to positive things 	<ul style="list-style-type: none"> ● Honest and transparent communication ● Brand building communication and message framing ● Being more transparent about how the investigation is progressing
Media reporting regarding	<ul style="list-style-type: none"> ● Let media be the first 	<ul style="list-style-type: none"> ● Address the public

the crisis	<ul style="list-style-type: none"> source of information Be fast with reporting new information as soon as it is received 	<ul style="list-style-type: none"> Share information on the website so it is easily accessed
Incorrect information reported regarding the crisis	<ul style="list-style-type: none"> Become the main source of information Keep quiet and let the media do all the communication 	<ul style="list-style-type: none"> Communicating as fast as possible as soon as there is new information available Contradict information that is not true
Uncertainty about how new information regarding the crisis should be communicated	<ul style="list-style-type: none"> Keep quiet and focus communication at other things Communicate actively 	<ul style="list-style-type: none"> Communicating as fast as possible as soon as there is new information available Be the main source of information
Ongoing investigations	<ul style="list-style-type: none"> Actively provide updates regarding the progress of the investigation Wait to communicate until the investigation is closed and if they find anything 	<ul style="list-style-type: none"> Actively follow and provide what is needed for the investigation and comment as soon as something new comes up Be transparent
Swedbank the centre of attention although several other banks were involved	<ul style="list-style-type: none"> Shift the blame Focus only on the things that Swedbank is guilty of See the bigger problem 	<ul style="list-style-type: none"> Focus on the problems that are related to the Swedbank brand, and not on competitors
Never-ending crisis	<ul style="list-style-type: none"> Waiting it out Implementation of new processes 	<ul style="list-style-type: none"> Overlook the internal processes and make improvement Appoint a team with the responsibility of detecting similar issues

Time Plan

Time management is an important element to consider in order for the presenter to give time to all parts of the case. Here we present a step-by-sept time plan for how the presenter can structure the case that covers all the main parts. Furthermore, we have formed two different time plans where one is suggested to be pursued if the case is done physically (see figure 1) and the other one digitally (see figure 2). The main difference is the discussion part since it could be difficult to have

a discussion in class over zoom and at the same time ensure that all students have the ability to have their say. Therefore, we suggest breakout room-sessions when performing the case digitally, so all students get the chance to celebrate with others. Moreover, both time plans are scheduled for approximately 45 minutes.

The presenter should start by giving some background information about Swedbank. However, since Swedbank is well known and a type of business that is familiar to many, the presenter is suggested to give around two minutes to this part. Thereafter, the case should be presented which should include all necessary information in order to grasp the problem. Since the case involves a lot of information and happenings, we suggested 15 minutes for this part, so all students get a good and wide picture of the case. Then the presenter should open the case discussion with the management question. This part should take around 15 minutes in order to give enough time for adequate elaborations where the presenter acts as a discussion leader and helps the students to pass on the word and at the same time leave some notes on the whiteboard. After the students have disclosed their opinion, the presenter will inform them about Swedbank’s management decisions that will take around five minutes. This leaves seven minutes in the end where the students can conclude the case and have some last sayings about the management decisions.

Figure 2: Proposed time plan if the case is performed in physical

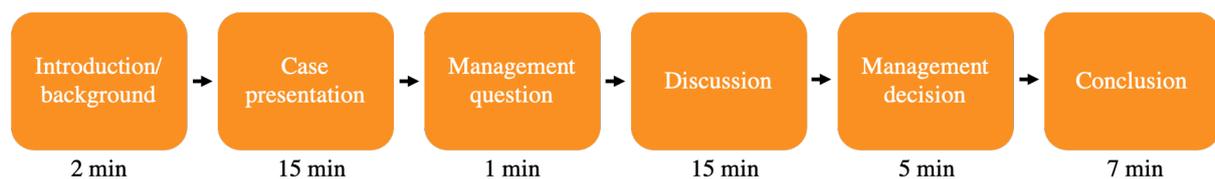
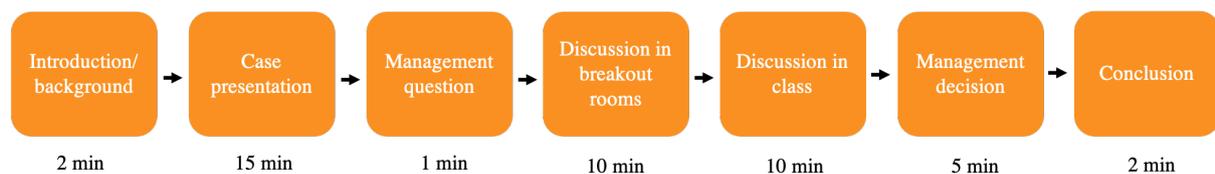


Figure 3: Proposed time plan if the case is performed digital



Epilogue

The Swedbank case reflects how a company whose reputation has been deeply affected by a crisis can recover and regain the trust of its stakeholders. The case provides great learnings, both from the development of potential solutions and by learning how the management actually addressed the challenge. The case focuses on reputation, theories about image restoration, corporate identity and reputation as well as corporate communication. However, the case also draws important learnings from crisis communication as there is much to learn from how the crisis was handled.

Swedbank that has previously been perceived as one of the most trustworthy banks in Sweden, is now rated one of the least trusted. The case and the frameworks used can guide discussion on how Swedbank can rebuild their reputation despite their poor handling during the crisis. Drawing on Swedbank's handling of the crisis, the case shows the importance of concepts such as good management communication and the importance of addressing the issue fast and honestly. Through the use of message framing, communication and trust-building decisions, the bank has to some extent managed to rebuild their reputation for the long-term perspective. However, Swedbank still has a long way ahead before they have regained the trust of their customers.

Furthermore, the case makes an interesting example as the Swedbank is still a part of major investigations and thus still faces challenges on how to communicate crisis-related issues while trying to rebuild their reputation. Hence, the broadness of the case makes a good foundation for discussions and analysis from many angles.

Reflection

This case has been developed and created in relation to the course BUSN35 Corporate Brand Management and Reputation (CBMR) as part of the master's program in International Marketing and Brand Management at Lund University. In the beginning, it was challenging to come up with a good case that was both relevant for the course and interesting for the students to discuss. However, together with the help from the course director, Mats Urde, we came to the conclusion that Swedbank and the money laundering situation would be an interesting and relevant case. This due to the deep investigation of how a company can manage their corporate brand reputation in the long-term perspective after a crisis.

From the beginning, the plan was to look mainly at Swedbank's after-crisis that still occurs due to the poorly handled communication during the main crisis. However, since there is not much research and literature regarding this subject, the plan was to conduct interviews with companies that also suffered from small crises after the main crisis. Since the case is related to the banking industry the plan was to interview employees from Swedbank, Danske Bank, SEB and Nordea. However, bank managers are not the easiest people to get in contact with and due to bank secrecy, they have a hard time answering questions. On the other side, we were lucky to get a hold of Swedbank's Head of Group Brand and Marketing, Johan Bryngelson, for an interview which was very helpful. The main focus was then to ask about which actions they have taken to restore the brand in a long-term perspective both internally and externally. In that way, we changed our focus a bit from the after crisis to the long-term rebuild of trust and reputation.

The next step was to collect all the information about Swedbank and the money laundering. This was a rather difficult task since there was so much happening during a fairly long period. The challenging part was that the students need to know what happened during the crisis for them to get a grip of how they should handle the after crisis and how to rebuild their trust. At the same time, the focus is not on the main crisis, but rather on the aftermath. Hence, the balance between those parts was difficult to find. Since it was easier for one person to find this balance, we divided the work and the other two students started with the teaching notes and tried to come up with all theories that could be relevant for the case. However, since the papers overlap a bit, we scheduled frequent meetings to talk about our progress and to go through all the material and connect them. This method was a successful approach because then we could give better feedback since we came with "new clear eyes" and in that way improve our written materials.

To conclude, we have to highlight that this way of learning has opened new ways for us to conduct new knowledge. From the start, we all were a bit nervous, both regarding the live-case lectures and also that we at the end of the course were supposed to hold and present our own live-case. However, we will leave this course with both improved managerial capabilities and problem-solving and we know that these new learnings will be highly relevant in our future careers.

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Exhibits

Exhibit 1: Corporate Brand Identity and Reputation Matrix (Urde & Greyser, 2016)

