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The Good, The Bad and the Socially Responsible: Managing a Brand Reputation Crisis After being Cancelled

By Lisalot Krans, Kristina Kielaityte and Rafee Ahmad

Abstract:

Purpose: The purpose of this paper is to investigate the concepts of brand integrity, brand reputation, brand crisis management and communication strategies used by brands to combat the cancel culture setting. This exploratory study may also aid marketing practitioners in developing appropriate crisis management strategies in response to such a crisis.

Research Question: what is the relationship between Cancel culture and Brand Integrity and Brand Reputation? and What crisis management/Communication strategies techniques do brands use to deal with cancel culture?

Design/Methodology approach: An exploratory research study conducted qualitatively using a multiple case study and theoretical framework used as the basis of the analysis of the aforementioned cases through the use of content analysis.

Findings: The extent of the crisis management practices, and scope of the communication strategies used by brands is directly proportional to the severity of the crisis. These findings were illustrated using a 2 by 2 framework.

Research implication/limitations: Lack of literature surrounding the topic due to the recent emergence of the phenomenon. The findings of this paper could not be generalized for all situations revolving around cancel culture and brands due to this paper's limited scope.

Originality/value: This paper is the first of its kind to study the effects of a relatively new phenomenon known as cancel culture on brand reputation and brand integrity.

Keywords: Cancel culture, crisis management, brand reputation, communication strategies

Paper type: Journal Article

Introduction:

The age of social media has brought with it social connectivity, globalization, accountability and even outrage. Over the past decade, it has even given birth to a new phenomenon known as "cancel culture". The phenomenon could be defined as the practice of withdrawing support from a person or organization and even brands due to their actions (Bakhtiari, 2020). This has become a social mainstay and part of the conversation

between the public and individuals, companies and their brands that hold any relevance in the world. Consumers today are more informed than ever before and demand their preferred brands to stand up for social issues in practice and not just through their statements. Consumers consider brands to be complicit if they remain impartial. While some brands use cause-related marketing as a part of their communication strategy to highlight and support societal and political issues to draw attention to their brand, other brands are brought into the conversation

through the demand of their consumers or through a misstep from the brand as a method of crisis management to regain their brand reputation.

Kapferer defined brand reputation to be the culmination of all of the opinions held by all stakeholders about the brand (2012). The author directly related brand reputation to brand sales and market share which are two aspects of brand strength (Kapferer, 2012). To circumvent the possibility of a crisis having a long-term effect on a brand's reputation, an effective crisis management strategy needs to be developed and communicated to the consumer. According to Tucker and Melewar, a firm's response to "negative publicity and damaging claims against it" could be accepted by consumers, if the company had previously held a long, undisturbed, and mostly positive reputation (2005). It is also argued that a firm's reputation *management* is also responsible for the outcome of a crisis rather than the strength of the firm's reputation (Tucker and Melewar, 2005). There are particular instances where brands weigh in on social or political issues when the need arises, while other brands use social and political issues as part of their communication strategies on a larger scale.

According to a survey conducted by Edelman (2018), 64% of the consumers surveyed across eight markets will base their purchases or boycott of a brand according to the brand's position on a social or political issue. The survey identified that more consumers than ever are belief-driven, which means that these consumers demand their beliefs be reflected by the brands they support (Edelman, 2018). However, according to the same study by Edelman (2018), 56% of the consumers believe that brands that use societal issues to drive sales, which consumers perceive as disingenuous and

deceitful. These global backlashes directly affect a brand's reputation due to which brands must be responsible in the manner in which they support societal and political causes and in the way they utilize cause-related marketing (García, Gibaja & Mujika, 2003).

García, Gibaja & Mujika identify cause-related marketing as a tool through which brands can gain the advantage of differentiation from competitors by obtaining emotional positioning among their consumers (2003). The authors also highlight that brands also use cause-related marketing as a tool to reinvigorate their brand image and reputation. Consumers are even willing to change their brand preferences to reward brands that support the ones that positively contribute to the issues supported by themselves (García, Gibaja & Mujika, 2003).

While there is an abundance of literature focusing on crisis communication strategies and how they affect a company's brand reputation, there is a lack of literature focusing on cases with an aim to provide a framework on the effectiveness of these strategies. There is also a lack of literature surrounding cases and how organizations have tackled their brands being associated with sensitive subjects. The authors recognize that there have been preliminary studies focusing on corporate reputation, crisis management, cause-related marketing and its drawbacks and attitudes towards brands who practice CRM, as well as consumer perception of cause-related marketing (Tucker and Melewar, 2005; García, Gibaja & Mujika, 2003; Alcañiz, Cáceres & Pérez, 2010; Wan, Poon & Yu, 2016) and will use these to analyze the findings from the case studies.

The scope of this research includes four cases from brands that are widely considered to be

high-profile cases among consumers and in media. While some brands have been associated with sensitive subjects through their own doing. In all the cases studied in this paper, the brands have faced backlash from the public and consumers have called for a boycott of their products and organizations altogether. The companies in every case have come out with apologies and have had to reevaluate their strategies of communication to deal with these crises. The aim of this paper is to review these cases to assess the brands' crisis management strategies that directly affect their brand reputation. The paper will also aim to identify key points on how brand managers can manage crises of such nature and protect their brand reputation through crisis management with the use of the knowledge gained from the illustration of the cases and previous literature.

Theoretical framework:

Cancel Culture

The 21st century has often been described as the sustainable century, and it is marked by the rise of corporate socially responsible businesses (Ghauri & Cateora, 2014). Because of globalization, internationalization of the market and web 2.0 consumers are aware of ethical issues within companies (Ghauri & Cateora, 2014; Keller & Swaminathan, 2020). Several studies show that companies who engage in CSR find benefits in sales growth and revenue, performance, customer loyalty, organizational growth, brand recognition and corporate reputation (Alhouti & D'Souza, 2018; Galbreath, 2010; Michel & Buler, 2016). While this indicates conducting CSR is beneficial to an organization, it also comes with certain risks. Not engaging in CSR or missing the (social) mark can have a significant negative or even damaging impact on a firm and lead to reputational damage, coming off as insincere which in turn leads to

financial loss (Cai, Jo & Pan, 2012; Smith & Rhiney, 2020).

Companies are closely watched and monitored by their stakeholders and every socio-political misstep can result in a brand being shunned (Heinberg, Liu, Huang & Eisingerich, 2021; Yoon, Gürhan-Canli & Schwarz, 2006). Throughout the years, the shunning of brands has gone so far that it has evolved into the cancel culture. The call-out or cancel culture is defined as a modern type of ostracism and has its own cancel culture movement with a mission to withdraw support from actors that have behaved in a seemingly offensive or objectionable manner. This can range from stakeholders withdrawing their presence, time, money, and attention to stakeholders cutting all ties with or even disassociating oneself from the said brand (Clark, 2020; Ng, 2020). Figure 1 shows the 8 most reported reasons why stakeholders decide to cancel someone. This data from Statista (Buchholz, 2021) indicates that the general theme companies or individuals get cancelled for is related to sensitive issues. A study from Porter Novelli found that American consumers are prone to cancel businesses if it behaves in an unjustifiable manner towards the sensitive issues of racial justice (70%), women's rights (69%), COVID-19 protocols (68%), immigration (61%), the environment and climate change (57%), LGBTQ+ (57%), religion (57%) and politics (54%). Further research from Porter Novelli (2021) found that the main reason individuals are vocal about these issues is that they believe cancelling a brand gives attention to important causes and changes a company's (bad) ways. It is seen as a method to engage with firms and encourage them to improve on CSR subjects. According to Porter Novelli (2021), social media is giving them this voice to stimulate socio-political change within companies. Therefore, the cancel culture movement is mostly active on social media and uses Twitter to express opinions and dissatisfaction (Bouvier & Machin, 2021).

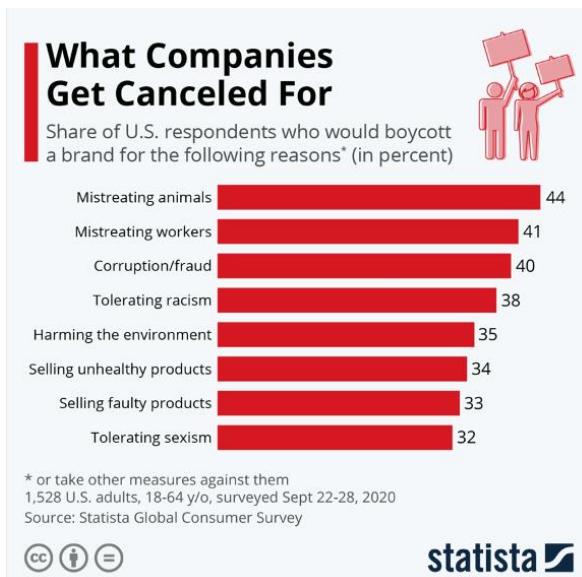


Figure 1: What companies get canceled for (Buchholz, 2021)

Brand reputation

When a company is being cancelled and judged on its corporate behaviour it could impact the firm's reputation negatively. This is because brands are assessed on more than their value alone (Waller, 2020). According to Michels (2013) reputation stems from the company's performance and its observed behaviour. A brand's reputation or image is interrelated with its vision and culture (Schultz & Hatch, 2005). It is important that vision, culture, and image are strategically aligned to maintain a good reputation (Cornelissen, 2017). Hatch & Schultz (2001) argued that alignment between these three core factors of a brand is crucial, as all three factors reflect on each other, and discrepancy can lead to gaps. They created the Corporate Branding Toolkit (Figure 2) to assist companies with managing their brand. A company's response to an incident is crucial to restoring corporate reputation as much as possible (Coombs, 2019; Frandsen & Johansen, 2017). Before deciding on how to respond it is important to first analyse the root of the problem, so the issue is addressed properly and does not miss the mark (Frandsen & Johansen, 2017). When a business is 'cancelled' it could use the Corporate Branding Toolkit to identify which gaps are present, which part of the brand's core needs attention. When the root of the issue addressed by the cancel culture movement is analyzed a

company can use this information to speak out about the situation openly.

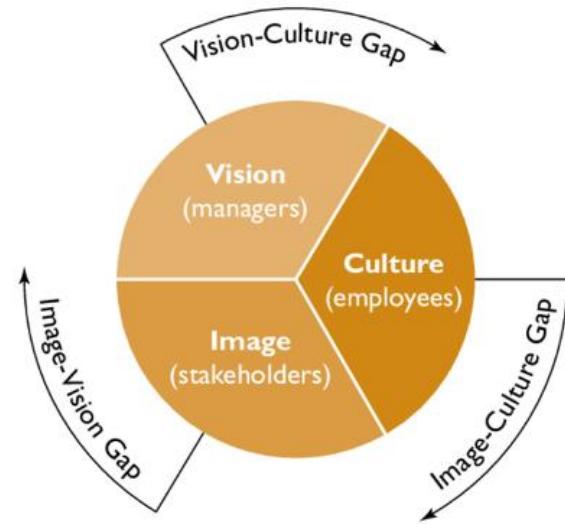


Figure 2: Hatch & Schultz (2001) The Corporate Branding Toolkit

- *Vision-Culture Gap*

This gap usually occurs when senior management is pursuing the business in a direction that its workers do not appreciate, support, or comprehend (Hatch & Schultz, 2001). Three questions should be asked to discover whether this gap is present, but only the first two are relevant when dealing with a clash between a company and the cancel culture movement. The first question is "does your company practice the values it promotes?" (Hatch & Schultz, 2001, pp. 130). Corporate transparency and honesty between a company's external image and internal identity are crucial to maintaining a good reputation (Cornelissen, 2017). Not living up to brand promises about their core values, erodes the core, and leads to mistrust and scepticism among consumers. When a company is being cancelled or shunned, it should ask itself whether the reason behind it is because it behaved in a way that did not correspond with its promised values (Ghosh, 2008; Mal, Davies & Diers-Lawson, 2018). The second question is "does your company's vision inspire all its subcultures?" (Hatch & Schultz, 2001, pp. 130). All employees within a company are brand ambassadors and reflect the core of the brand. A study from Porter Novelli (2021) found that Americans think firms have to take

responsibility for the actions and statements of employees and executives. Therefore, it is important that organizational values are understood and shared among all members of a company (Harris & Chernatony, 2001). If a company is ‘cancelled’, it should investigate whether the escalation of the situation is influenced by the behaviour and views of internal staff.

- *Image-Culture Gap*

The Image-Culture Gap occurs when a company’s organizational culture and image are not aligned (Hatch & Schultz, 2001). Again, there are three questions that can be asked to explore whether this gap is present. The first question is “what images do stakeholders associate with your company?” (Hatch & Schultz, 2001, pp. 131). All the perceptions, ideas, feelings, and associations stakeholders have of a brand are relevant when it comes to a brands’ reputation (Bozkurt, 2018). Often a company’s desired image and actual image are misaligned, which is why it is important to constantly evaluate how consumers view the brand (Schlegelmilch & Pollach, 2005). At the point of cancellation, a brand should ask itself whether it might be caused by company behaviour that does not fit the brands’ initial image. The second question is “in what ways do your employees and stakeholders interact?” (Hatch & Schultz, 2001, pp. 132). The research found that the interaction between employees and stakeholders is an important factor that weighs in on the reputation of a brand (Shams, 2015). When a company is ‘cancelled’, it could investigate whether the root of the problem lies within the way stakeholder relationships are managed. The third question is “do your employees care what stakeholders think of the company?” (Hatch & Schultz, 2001, pp. 132). Hatch & Schultz (2001) explain that often there is a gap between the vision a manager has for the company and the expectations and images of stakeholders. Whether these two are aligned is important information for a brand when it is being cancelled, as this could weigh in on the reason behind the cancellation.

- *Image-Vision Gap*

The last gap is caused by a discrepancy between the image that outsiders have of a company and

the management’s strategic vision. It is important that they are aligned with each other, and to research what stakeholders expect and desire from a business (Hatch & Schultz, 2001). Here there are three questions that can be asked as a tool to explore whether this gap is present. The first question is “who are your stakeholders?” (Hatch & Schultz, 2001, pp. 132). When dealing with the cancel culture movement, it is usually a specific target group that feels the company has done something unjustifiable (Clark, 2020). When a company is being cancelled, it should ask itself which group of stakeholders feels negative about the company’s behaviour and why, as this might reveal the reason behind the cancellation and provide insights into what aspects lead to the wrongdoings. The second question is “what do your stakeholders want from your company?” (Hatch & Schultz, 2001, pp. 132). Hatch & Schultz (2001) explain that there is often a gap between the vision of management and the expectations and desires from stakeholders and that managing these expectations is important to satisfy customers. It could very well be that the reason why a company is being ‘cancelled’ is because stakeholders feel that a company has not lived up to their expectations or standards. The last question is “are you effectively communicating your vision to your stakeholders?” (Hatch & Schultz, 2001, pp. 132). The communication strategy that is used to express a firm’s vision is important in how the vision will be received by its audience (Cornelissen, 2017; Frandsen & Johansen, 2017). In the occurrence of ‘cancellation’, a brand could investigate whether the message it is trying to convey is carried out properly.

Brand integrity

Whether a reputation can be saved is heavily reliant on the extent of control a company takes over the issue. Being vocal about the crisis can limit the amount of reputational damage done by the situation (Coombs, 2019). Several studies show that companies who do not respond proactively to a crisis suffer from reputational damage. Being silent and unresponsive usually makes matters worse. In contrast, firms who do take control over the situation by being responsive and vocal about the issue are seen as honest and transparent and increase brand

integrity (Emerald, 2020; Salvador & Ikeda, 2018). Research shows that brand transparency is crucial when dealing with reputational hazards (Cambier & Poncin, 2020). According to a study from Porter Novelli (2021), most stakeholders are forgiving of companies that have made a socio-political mistake, if the company addresses the issue properly and genuinely gives the impression that it is trying to change. Further research also shows that the way a company deals with a corporate misstep is interrelated to the experienced level of brand integrity within a brand (Butt, Khong & Alam, 2020). Figure 3 shows what consumers think a company should do in response to its cancellation.



Figure 3: A company's desired response to cancellation (Porter Novelli, 2021, pp. 12)

Case Study Review

United Airlines:

On April 9, 2017, the staff of United Airlines, on an overbooked flight from Chicago, Illinois to Louisville, Kentucky decided to remove 4 already seated passengers to accommodate 4 additional staff members. The passengers were offered travel vouchers to give up their seats, an offer that was accepted by 3 passengers. After which, a passenger named David Dao was forcibly removed from the flight by security personnel. A video of the incident was

uploaded to social media by one of the passengers on the flight which instantly garnered national and international attention. The video showed David Dao bleeding and screaming as he was dragged through the aisles of the plane to be taken out of the flight. The passenger was later confirmed to have broken his nose and lost two teeth and had also suffered a concussion (Benoit, 2018).

As the video of the incident spread like wildfire and the severity of the injuries suffered by the passenger, it put the airline under immense pressure to act. The CEO of United Airlines, Oscar Munoz came out with a statement that was later criticized for not taking full responsibility for the situation. The statement released on Twitter only took responsibility for the inconvenience caused by overbooking with no mention of the physical altercation. The public perceived the statement to be downplaying the situation and painting a narrative that suggested the main problem was the overbooked flight and not the physical and mental trauma that the passenger David Dao had gone through (Benoit, 2018).

According to a Harris Poll, a market research and analytics company that tracks consumer behaviour sentiment and motivations of adults in America, 46% of the respondents perceived United Airlines to have a “Bad” or “Very Bad” reputation when surveyed in April 2017 as compared to only 7% when surveyed in late 2016 (2017). After suffering intense public scrutiny and losing large chunks of the company’s valuation due to the incident, the CEO of United Airlines once again released a statement on Twitter. The statement this time took responsibility for the incident and directly apologized to David Dao and other passengers on board. The CEO also vowed to make necessary changes in policy and review how situations like these could be handled better to prevent this from

happening again (Benoit, 2018). The CEO Oscar Munoz also made a Tv appearance just 3 days after the incident and reiterated the “disappointment” and “shame” that he and his company had felt over the incident.

Oatly

Oatly is a Swedish oat drink company known for its straightforward and often blunt marketing communication campaigns directly aimed towards a less-sustainable dairy industry. The brand has itself associated with sentiments of wellness for people and the planet and the brand promise revolves around not harming either in the process of making and consuming its products. The company continually strives to be more sustainable and provide more nutritional benefits to consumers through its products. The brand is also a huge advocate for transparency and has vowed to stay honest in its pursuit of achieving its global goals (Oatly, n.d.).

In July 2020, the company was met with a surge in online protests by political and environmental activists when it was announced that Oatly would be selling a stake to a consortium of companies that included Blackstone, a venture capital firm. Blackstone is one of the world's biggest investment groups, which now owns 10% of the oat milk brand. Blackstone has been linked to investment in a Brazilian infrastructure company accused of deforestation in the Amazon rainforest. Although the venture capital firm has denied their involvement and categorically labelled them as “wrong and irresponsible”. Oatly responded to the online backlash with a statement on Twitter, stating the investment from Blackstone and other investors will help the company realize its goals for sustainability and the partnership provided an opportunity to merge Blackstone's values with that of Oatly (Helmore, 2020).

Consumers took to social media to state their disappointment with Oatly's choice of investor and even went on to state their discomfort at potentially contributing to the destruction of the planet by buying Oatly products (Helmore, 2020). Oatly has since then gone on to defend their decision on social media, either by releasing statements or replying directly to the questions and concerns raised by consumers. Oatly has gone on to emphasize that their mission and vision for their brand and the future of the industry have remained unchanged. The company explains the decision to be based on the brand's needs of the future as well as the message that their success sends. Their success would show others in the industry to invest in sustainable businesses and greener projects, thus filtering money out of oil and gas (Oatly, N.d.). The company states:

“From a sustainability perspective, we are convinced that helping shift the focus of massive capital towards sustainable approaches is potentially the single most important thing we can do for the planet in the long-term.” (Oatly, n.d.).

Hasbro

Mr. And Mrs. Potato Head has been an iconic symbol of Hasbro since 1952. Hasbro has removed gender from its Mr Potato Head brand. The company's announcement has caused quite a stir on social media, and people were not happy that Mr Potato head has been ‘cancelled’ due to his gender. People thought that Hasbro was getting rid of the Mr and Mrs Potato characters altogether. However, this was not the case. They have removed the word ‘Mr’ from the brand, but not from the actual toys, meaning that Mr and Mrs Potato Head will still be available to buy (Olla, 2021).

The company explained that the Mr. And Mrs. Potato Head will still exist as characters

(see figure 1, appendices). They did not want to make the whole character gender-neutral, just the box with Potato Heads would state it without any pointer to a specific gender. As Hasbro CEO, Brian Goldner explained Mr. And Mrs. Potato Head are not going anywhere, the characters will always be there to come back home to the family and play with the kids. Hasbro rebranded to comply with gender neutrality, equality and inclusivity movements and give the brand a gender-neutral makeover (Desk, 2021). The company stated that the Potato Head better reflects the full line of the company's toys and over the image. While the decision to rebrand was well received by some, others were criticising the company for giving one more trigger to conservatives to mock the LGBTQ+ community (Desk, 2021).

Hasbro states they wanted to make sure that "all feel welcome in the Potato Head world" (Kendpal (2021); Olla (2021); Pisani (2021).) The brand stated they're aspiring to appeal to a more modern consumer. To promote inclusivity even more the brand has decided to include over 42 accessories together with two big potato bodies and one small - this gives an opportunity for consumers (the kids) to form their own family. The accessories let their creativity flow and its inclusivity is expanded as the brand suggested the additional accessories can make same-gendered parents mixing with old and young appearances.

Ali Mierzejewski, the editor in chief at toy review site The Toy Insider, suggested that Hasbro move could encourage other companies to stop appointing genders to the toys they make. Rich Ferraro, GLAAD's chief communications officer explained that "Hasbro is helping kids to simply see toys as toys, which encourages them to be their authentic selves outside of the pressures of traditional gender norms" (Olla, 2021).

PepsiCo

On April 4th, 2017, PepsiCo released an advertisement starring American media personality and model Kendall Jenner. In the full version of the commercial, several men and women are seen creating protest signs and marching in crowds. These people are pictured walking with signs that contain the peace symbol, hearts, and phrases like 'join the conversation'; all while chanting and cheering. Meanwhile, Jenner is seen being photographed during a photoshoot when she suddenly notices the marching crowd. She joins the crowd while getting rid of her wig and make-up, grabs a can of Pepsi Cola out of a bucket with ice and hands it over to a police officer. The policeman accepts the can, smiles, and takes a sip, while the whole crowd- including Kendall Jenner- cheers and hugs each other (YouTube, 2017).

PepsiCo's commercial was not well-received by its audience and sparked criticism on Twitter right after its launch. Firstly, it was unclear what exactly the marching crowd in the advertisement was protesting about. Twitter users argued that it seemed like a can of soda solves police brutality, making it seem like PepsiCo made light of police brutality protests (Malone & Baysinger, 2017; Taylor, 2017). Secondly, but related to the previous theme, the advertisement was also associated with Black Lives Matter (BLM); a movement with a mission to abolish white supremacy and combat any acts of racism, violence, or mistreatment against the black community. (Leyh, 2020). Twitter users compared a picture of Ieshia Evans, a female African American nurse who took a stand during a police brutality protest that took place in Baton Rouge, Louisiana, with the image of Kendall Jenner approaching the policeman during the protest in the commercial (Everitt, 2018; Maylone & Baysinger, 2017; Meister, 2019).

Several influential people joined the online conversation on Twitter and spoke out about how PepsiCo created a tone-deaf advertisement. An example is the daughter of Martin Luther King Jr., Bernice King, who posted a picture on Twitter of her father along with other protestors being pushed and shoved by policemen (Malone & Baysinger, 2017; Taylor, 2017). Alongside the picture, she wrote “If only Daddy would have known about the power of #Pepsi” (Twitter, 2017).

In reaction to this backlash, PepsiCo responded by removing the commercial of all media channels on the 5th of April, 2017. Pepsi also apologized to Jenner (Malone & Baysinger, 2017; Meister, 2019). Furthermore, a statement was issued on PepsiCo’s Twitter account, stating:

“Pepsi was trying to project a global message of unity, peace and understanding. Clearly, we missed the mark, and we apologize. We did not intend to make light of any serious issue. We are removing the content and halting any further rollout. We also apologize for putting Kendall Jenner in this position” (PepsiCo, 2017).

Aside from the Twitter post, PepsiCo also stated that the commercial was made by Creators League Studio (PepsiCo’s in-house shop). The statements made by the company were received negatively by its audience. One reason was that Twitter users found it problematic PepsiCo apologized to Kendall Jenner, but not to the Black Lives Matter movement (Malone & Baysinger, 2017; Taylor, 2017). The statements did not diffuse

the situation, and later in the day on the 5th of April 2017, the company personally Tweeted Bernice King, stating:

“@BerniceKing We at Pepsi believe in the legacy of Dr. King & meant absolutely no disrespect to him & others who fight for justice.”

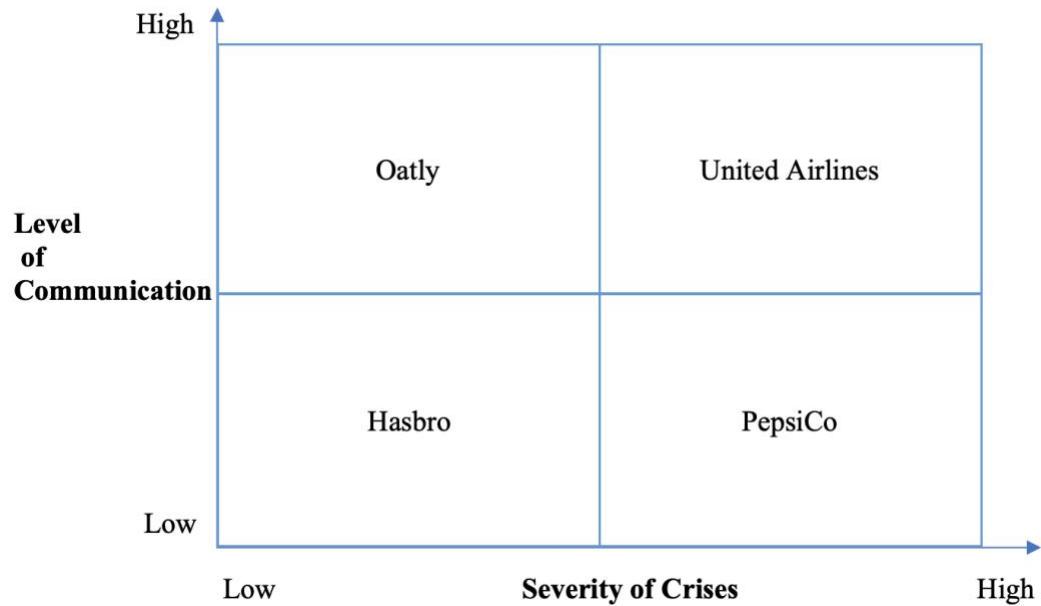
This tweet reached the crisis situations’ peak on social media; from the 6th of April 2017, Tweets regarding the incident started to decline rapidly (Meister, 2019).

Method

For this study a qualitative method was used to answer the research questions ‘*what is the relationship between Cancel culture and Brand Integrity and Brand Reputation?*’ and ‘*What crisis management/Communication strategies techniques do brands use to deal with cancel culture?*’ Four individual cases were analyzed

through content analysis with the aim of detecting the presence of themes with the help of coding. 28 codes were found and through these codes, six main themes were discovered that were present in each of the four cases; The reason for the cancellation (cause), crisis management, public opinion, other related triggers, the channel used to vocalize opinion and the aftermath of the crisis. After this, a comparative analysis was carried out for all four cases and compared to the literature.

Results: *The Crisis model*



After briefly assessing the four cases, a 2x2 matrix has been constructed to illustrate the severity of the crisis faced by the brand and organization as well as the level of communication used to manage the crisis after receiving backlash from the consumers and general public. Each brand was faced with a unique crisis with a varying degree of potential harm to its reputation, and as a result, their crisis management techniques were equally unique.

This matrix has been constructed to illustrate the findings of the analysis of the case study in an expressible format. On the horizontal axis, the severity of the crisis faced by the brand is shown and on the vertical axis, the level of communication i.e the response by the organization as a crisis management tool is shown.

- Vertical Axis: Level of Communication:*

This axis illustrates the level of communication used by the brand in order to

respond to the backlash against it. Relevant considerations in order to determine a brand's place on this axis were the mediums used to respond to the backlash, the amount of communication directed towards the public, the concrete and tangible actions taken to reassure the consumers and gain back trust.

- Horizontal Axis: Severity of Crisis*

This axis illustrates the severity of the crisis faced by each brand. This was judged on the basis of media attention and coverage the brand received during the crisis, actions taken by consumers to boycott the brand and how the brand's initial response to the backlash was received by the consumers.

Discussion

According to Bakhtiari, consumers believe cancel culture to be a tool through which they could combat social injustice (2020). This trend has seen an incline in recent years due to consumers' rising scepticism regarding brands and their actions. According to

Nararatwong et al, negative content surrounding a brand disperses fast on social media (2014). This is the case among all brand boycotts in recent times including the four cases studied in this paper, the medium through which consumers showcase their opinions regarding a brand as well as demand accountability is social media, mainly Twitter. According to Smajlovic & Åhl, consumers taking part in the online backlash against a brand through various methods is a way for them to negatively distance themselves from a brand (2021). It is, therefore, necessary for brands to properly address the concerns of the consumers and public through an appropriate communication strategy. This section will first discuss brand reputation integrity in terms of the cases studied. Secondly, the brand crisis' effect on brand reputation will be discussed. Lastly, the communication strategies employed by the four brands mentioned in this paper will be discussed through the lens of the Situational Crisis Communication Theory (SCCT).

Cancel culture and Brand Integrity

Brands need to create and maintain their brand integrity. The most important aspects of brand integrity are matching the brand promises and values with the actions while being transparent along the way (Chambier & Poncin, 2020). It takes a long time for brands to build their integrity that consumers can trust. Only brands with high integrity can maintain loyal customers that can eventually turn to their brand advocates. It is important to analyze a brand's identity in order to draw an image of the personality the brand is creating. The identity of the brand is explained by 6 different aspects: personality, culture, physique, relationship, self-image, and reflection (Kapferer, 2012). Brands with strong integrity communicate with their customers stating the fundamentals of the brand culture and values that they convey.

Oatly's case study is the perfect example of how the company performed an action that was not aligned with the values that they stand for. As discussed in the case study, Oatly has significantly failed to align their claimed company's values with their action of selling stakes to a company not sharing the same level of responsibility in sustainability. This situation made Oatly's customers very upset because they saw their beloved brand going against the values that they share with their loyal customer base. As addressed by Chiu, Hong et al (1997), customers with fundamental beliefs are going to be highly involved with the situation when there is a doubt in trusting the brand. This is considered a loss in a brand's identity, and it requires a recovery. The first step in controlling an integrity breach is taking on the responsibility to address the issue by effective communication in face of a crisis (Song, 2016).

Oatly stood strong by their decision and did their best to communicate the reasoning behind it. Oatly did not apologize as they did not think they made a mistake, controversially, they wanted to educate their customers that rejecting brands with fewer sustainability efforts makes it worse as they cannot improve in that way. They also explained that with the help of the new venture it is going to be possible to achieve their sustainability goals (Helmore, 2020). However, analyzing the situation, apologizing to the stakeholders and learning from the mistake are fundamentals in the brand integrity recovery process (Song, 2016). This is something that United Airlines did after poorly communicating with the delicate matter of traumatising one of their passengers. The statement released was highly criticized by the public which even lowered the company's integrity at this point. However, after the public pressure and the financial loss, the CEO of the company

finally admitted fault without blaming the overbooked flight. They apologized to the passengers affected directly and vowed to review and change the company's policies, so this situation never happens again.

Even though it took some time for United Airlines to work through the brand integrity rebuilding process, they did it in the end which at least let them rebuild some of the trust in the brand by its consumers. Similarly, PepsiCo handled the situation by having to release different statements as the first time they did it was not perceived well and harshly judged. The brand later analyzed the situation and released another statement with an apology after which the negative press started to decline. In contrast, toy-making company Hasbro's situation was dealt with similarly to Oatly's. Hasbro stood by their action and their decision to remove Mr from the Mr Potato Head toy name. Instead of apologizing and admitting any fault these two brands explained their strategic move and stood by it wanting to change the way their customers perceived the situation. This has also helped to rebuild their brand integrity. Being consistent is also one of the ways to maintain a brand's integrity (Xie & Peng, 2009).

Cancel culture, Brand reputation and Crisis management

According to Greyser, the most extreme type of reputational crisis for a brand is when its core values, characteristics and message are being affected (2009). The author describes these values to be "the essence of a brand" and if challenged, can have devastating effects on the brand's reputation (Greyser, 2009). Among the four cases discussed, Oatly and United Airlines were the two cases where the brand's reputation was harmed because their actions represented the opposite of their brand promise. United describes the brand's values to be that of safety, reliability,

unity, and friendliness (United, 2017). However, the actions taken by their staff to remove a paid passenger were in complete contradiction of their brand values and purpose. Similarly, Oatly promises its consumers the most sustainable products that are developed and distributed without "Taxing the planet's resources" (Oatly, n.d.). However, their partnership with Blackstone was criticized due to the firm's other investments that go against Oatly's values.

In situations where a brand's reputation is in jeopardy that results in the 'brand essence' being affected, Greyser highlights the importance of a sound communication strategy and strong actions to try and rectify the solution and rebuild the brand's image and reputation (2009). The research also emphasizes the importance of the role and responsibility of corporate leadership in the company's responses (Greyser, 2009). This is in line with the response strategy used by United Airlines where the CEO released direct statements owning the mistakes, taking responsibility, and promising actions to prevent such incidents from reoccurring.

When looking at all four cases with the help of the Corporate Branding Toolkit (Hatch & Schultz, 2001), there are apparent gaps that have resulted in the cancellation of the brands. For United Airlines, a Vision-Culture Gap is present. United Airlines' core values are safety, caring, dependability and efficiency. When asked the toolkit's question "does your company practice the values it promises" (Hatch & Schultz, 2001, pp. 130) the incident shows all four core values of United Airlines were ignored, which led to the brand being cancelled.

For Oatly, an Image-Vision Gap is present, as the company did not ask the question "what do your stakeholders want from your company" (Hatch & Schultz, 2001, pp. 132) prior to making the decision to cooperate

with Blackstone. As the case shows, there is a clear gap between the management's vision and the expectations and desires of stakeholders, which led to the cancellation of the brand.

Hasbro also suffers from an Image-Vision Gap. When asked the toolkit's question "are you effectively communicating your vision to your stakeholders" (Hatch & Schultz, 2001, pp. 132) it is clear the company had good intentions to change the name of their product to a more gender-friendly version. However, it failed to effectively communicate the vision behind these changes to its stakeholders. This misalignment has led to the cancellation of the brand.

Lastly, PepsiCo suffers from an Image-Vision Gap. When analyzing the case with the toolkit's question "are you effectively communicating your vision to your stakeholders" (Hatch & Schultz, 2001, pp. 132), it becomes clear that the positive message of inclusiveness and togetherness PepsiCo was trying to visualize through its advertisement was not communicated effectively to stakeholders. This ultimately led to the cancellation of the brand.

According to Zheng et al, a framework through which crisis communication could be understood is through the Situational Crisis Communication Theory (SCCT) (2018). The SCCT provides guidelines for the preservation of the organisational reputation through post-crisis communication (Zheng et al, 2018). The SCCT is based on the concepts of attribution theory as well as the relationship between the organization and the consumers. The SCCT has 3 categories of the proposed attribution of responsibility, which is based on the level of the responsibility which is associated with the organization, namely *victim cluster*, *accidental cluster*, and *preventable cluster*. Along with this, the SCCT illustrates three response strategies

namely, *deny*, *diminish*, and *rebuild* (Coombs, 2007).

According to Ma (2018), the more responsibility of a crisis that the consumers put on an organization, the more harm that it does to its reputation. Among three categories of attribution of responsibility, '*Preventable*' is the category that cases of cancellation fall under. Preventable refers to the highest degree of responsibility attributed to the organization or brand (Ma, 2018). Hence the appropriate strategy recommended combating a crisis of this magnitude, as suggested by the SCCT is known as '*rebuild strategy*'. This strategy recommends organizations and brands to take full responsibility for the crisis and take steps to rebuild their reputation by being transparent and honest with the consumers (Coombs, 2007). However, these strategies illustrated in the SCCT are sometimes criticized for overly simplifying the issue of brand crises and their response strategies (Dovander & Bergström, 2019).

All four cases discussed in this paper fall under the *Preventable cluster* according to the SCCT. This is due to the high perception among consumers that the brand was responsible for their respective crises. The reputation of all brands was harmed and although Oatly and Hasbro did not apologize for their actions, there was a strong sense of responsibility shown by the brands to educate the consumers of their decisions and showcase transparency. In contrast, United and Pepsi experienced more severe crises that severely damaged the brands' reputations. In Pepsi's case, the commercial in question was developed and produced in-house while United had flawed overbooking policies, as well as their staff, who were not trained to handle the situation which led to the brutal incident. This is a clear indication that both these cases fall under the *preventable*

scenarios and therefore it was crucial for both organizations to take full responsibility and take concrete actions in a bid to rebuild their brand reputation.

Conclusion

In conclusion, this paper explored the cases of four brands that had been under public scrutiny due to unique reasons. The aim of this paper was to answer, '*what is the relationship between Cancel culture and Brand Integrity and Brand Reputation?*' and '*What crisis management/Communication strategies techniques do brands use to deal with cancel culture?*' The findings and analysis presented in this paper also attempt to fill the gap in research surrounding brands facing *cancel culture*. This paper discussed the importance of brands developing an appropriate communication strategy, which forms the basis of their crisis management strategy. Moreover, the extent of the response strategy is directly proportional to the severity of the crisis faced by the brand. The analysis of the cases also provided proof that a brand's reputation is severely damaged if its core values, beliefs and brand promise are contradicted through its actions.

Theoretical implications

The concept of cancel culture and its effects on brand reputation and brand integrity have not been studied before. This paper discusses these relationships and finds evidence that a brand reputation and integrity can only be rebuilt through a positive brand image in the past and through an honest, transparent, and authentic, and well-timed communication strategy.

Managerial Implications

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Things to consider when developing a crisis management communication strategy:

- Understand the magnitude of the situation and empathize with the consumers' sentiment.
- Take responsibility for the misstep where the consumer consensus is largely placing blame on the organization.
- Develop a communication strategy that is honest and fully addresses the consumers' concerns.
- Take definitive actions in order to reassure consumers of commitment to eradicating any future incidents.

Limitations & Future Research

Due to the research being one of the first of its nature, there was scarcity of relevant academic literature through which information could be sourced. As a way to circumvent the issue, the authors utilized academic literature based on corporate crisis management and other such articles. Having a case-based approach also provided the authors with the opportunity to identify similarities to analyze and draw conclusions from. The authors also identify that due to the scope of this paper, these findings could be inconclusive and therefore could not be generalized to all brand crisis situations caused by public backlashes. Furthermore, two of the cases discussed in the paper, Hasbro and Oatly have been fairly recent, therefore the full extent of the effects of their *cancellation* could not be known at this time. However, this paper could be used as the basis for future research on the subject. Future research could be built to overcome the aforementioned limitations and by including more relevant cases.

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Hold that Tot – your main spud, MR. POTATO HEAD isn't going anywhere! While it was announced today that the POTATO HEAD brand name & logo are dropping the 'MR.' I Yam proud to confirm that MR. & MRS. POTATO HEAD aren't going anywhere and will remain MR. & MRS. POTATO HEAD

10:37 PM · Feb 25, 2021

20.2K 5.2K Share this Tweet

Tweet your reply

Appendices:

Figure 4: After backlash spread across social media, they clarified this in a [tweet](#), writing:

Source: HITC, 2021.

Appendix 1: Categorical explanation of the four presented cases through content Analysis:

The reason of “cancellation”/The message/the cause

United Airlines

The boycott of the Airline brand was called due to the act of agents on behalf of the airline. Staff members had involved security officials to escort a non-complying passenger out of the airplane. The passenger was asked to leave due to the flight being overbooked and to accommodate 4 additional members of staff.

PepsiCo

PepsiCo was cancelled because of an advertisement that aired on several media channels. This commercial was experienced to be ‘toned deaf’ as it gave the impression to make light of police brutality and the Black Lives Matter movement.

Oatly

Oatly received backlash for selling 10% of the company’s stake to a Venture capital firm known for previous controversial investments that contradict with Oatly’s mission and vision regarding sustainability, transparency and advocating for business and consumption practices that do not harm people or the planet.

Hasbro

Toy manufacturing company Hasbro has announced that they are removing the Mr. from their famous Mr. Potato Head Toy. It was supposed to remove the gender from the beloved toy to make it more gender-neutral and inclusive. The toy will now be called just a Potato Head and the new name will be present on the boxes by the end of the year.

Public opinion/how the message was received

United Airlines

United Airlines has since made reforms in policies and because there has been no other controversy surrounding the airline has helped it regain their reputation.

PepsiCo

The public opinion on the commercial was that it condoned real-life police brutality and racism. People involved felt that it was disrespectful to the Black Lives Matter community.

Oatly

The news of Oatly’s partnership with Blackstone is only a year old, however a considerable part of the backlash declined after the company’s efforts to state their case and be transparent with the consumers. The company has also not suffered any financial losses as the company went public in May 2021 and was valued at \$10 Billion.

Hasbro

The change in the name and the “mister” removal created a lot of confusion. The new changes created a social media outburst as Mr. Potato Head fans went mad on social media. Some perceived the message as the toy being cancelled because of his gender. Some talked about how it is absurd to go gender neutral on a toy and called the company on the hunger to become politically correct. Even though some supported the new rebranding of the company. As outlined by GLAAD’s chief communication officer, Rich Ferraro, hasbro facilitated the environment for kids to see toys as toys without a gender and therefore being able to identify themselves without having the pressure of the established gender norms. While some suggested that the LGBTQ+ community might be mocked by conservatives, the LGBTQ+ community applauded the inclusivity efforts of the company.

Crisis management/Brand & others involved response

United Airlines

United Airlines responded to the online backlash via social media but did not take responsibility for the incident directly. After calls for boycott over the company's underwhelming response, United Airlines CEO apologized to all passengers and took responsibility for the incident and vowed to make policy changes. A year later, United airlines presented a 10-point plan to make sure an incident like this never happens again. Most importantly, the Airline company and many others in the industry have revised their overbooking policies and have barred staff from calling security officials on to the plane unless it is a matter of safety and security.

PepsiCo

PepsiCo tried to take control of the situation by posting a statement on social media with an apology. They also apologized to Kendall Jenner, and explained that the advertisement was made by an in-house agency. When this was not well received, they personally Tweeted Martin Luther King Jr.'s daughter, Bernice, King, with another apology. After this, the situation got diffused and started to gain less media attention.

Oatly

The company received backlash mainly on the social media website, twitter, with many news outlets reporting the company's controversial investments round. Oatly used twitter to directly respond to disgruntled consumers and their response strategy involved stating the reasons why they picked Blackstone and justifying their choice through an honest conversation with consumers. The company also released videos on Youtube explaining the decision to partner with the private equity firm and released lengthy blog posts aimed towards educating the public about the motive and strategy behind their decision.

Hasbro

Hasbro took the responsibility on the same day and made another announcement answering to anxious fans that Mr. Potato Head and Mrs. Potato Head are not going anywhere, the character of toys will still exist and will be available to buy. It is just the box that is going to say Potato Head, to make the Potato Head family more inclusive. The company also announced that they are going to launch a DIY kit that is going to contain different accessories for kids to create their own Potato Head families, like having two mums or two dads. Hasbro told the press that the company initiated gender neutral reshaping of the company, allowing it to better reveal the full toy line.

Medium used by stakeholders to vocalize opinions

United Airlines

The United Airlines video was uploaded to Twitter by a passenger and the company responded to users and released statements on the same social media.

PepsiCo

Twitter was used to discuss the incident, and this is also the place where stakeholders expressed their dislike of the campaign.

Oatly

Twitter was the most used by the public and Oatly as the main medium of communication. The company then did press releases, blog posts and interviews to state their case in an attempt to gain back trust from offended consumers.

Hasbro

The public opinion reacting to the news was voiced through Twitter and the company's responses and damage control was done using the same social media channel.

Other related triggers in the company's history

PepsiCo

Earlier in 2013 PepsiCo also had to remove an advertisement for its Mountain Dew soda. The public opinion on this matter was that the commercial made light of violence against women, and supported racial stereotypes.

Hasbro

Mr. Potato head was created as a personality of the company in 1952, it also became the first toy to be promoted on the TV. In 1995 Mr. Potato Head appeared in the animated film series Toy Story. The toy had become an integral part of the culture and fans knew it by the name of Mr. Potato Head.

The aftermath/the effect

United Airlines

The United Airlines video sparked outrage as soon as it was uploaded and seen by users. The airline was condemned by users globally and even notable celebrities and people in positions of power. The company's stock dropped \$1.4 Billion following the outrage and prompted the CEO to issue a more grounded and sincere apology.

PepsiCo

Even though PepsiCo's reputation seemed to indicate a small drop, soon it became apparent that Wall Street appeared unfazed by this mishap, and did not suffer any great financial losses.

Oatly

Consumers flooded Twitter in an attempt to gain answers from Oatly and showcase their disappointment in the company's decision. There was media frenzy surrounding the issue with journalists and general public calling Oatly hypocritical and accused the company of selling its values for cash.

Hasbro

Mr. Potato Head is the biggest toymaker to take on such an approach. This could mean a lot to the changing standards in the toy industry. However, the aftereffects of this case are hypothetical as it has happened very recently and there is data and literature limitation regarding the issue.