

Lush vs Social Media: It Can Cost to Stand by Your Values

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 Notes

Teaching Plan

The following sections of the teaching notes set out to outline and guide the instructor in how to teach the case of “Lush vs Social Media”. It includes a short summary of the case, the learning objectives, the main and assisting questions, and a suggestion on how to teach the case. This guide ensures that the instructor has the right tools to present the case in a logical and engaging way. This will allow the audience to best work towards achieving the learning objectives and spur an interesting discussion.

Case Synopsis

In the autumn of 2021, a former employee at Facebook revealed several files from the company that showed that the company's platforms contributed negatively to mental health and body image issues. This was something that caught Lush’s head of marketing, James Kirkland’s attention. Lush is a cosmetic company that was founded based on the dissatisfaction of other cosmetic brands. They have since the launch taken what can be seen as an activist approach and their business model is to produce clean products that are good for the body and as less harmful as possible to the environment. Based on their business model they have six core values; freshest cosmetics, vegetarian, ethical buying, handmade, naked, and fighting animal testing. These values are also what made Kirkland react when it was revealed that Facebook has a negative impact on people's mental health since that is not in line with Lush’s business concept. This further led him to come up with a proposal to Lush’s board to close down Lush’s social media accounts.

Learning Objectives

Corporate brand identity, corporate reputation, and corporate communication are three theories that have been identified to aid with the understanding of the case. The goal is for the audience to assimilate these theories while discussing and solving the case. Based on this, the following section will describe the theories and how they are connected to the case to help the instructor to guide the audience in their discussion.

Corporate Brand Identity

To create, develop and evaluate a company's brand identity the Brand Identity Matrix by Urde (2021) could be used. The matrix consists of nine elements which are divided into three lines where the top one consists of the external elements, the middle one of external/internal elements and the bottom line consists of internal elements. There are also four paths in the matrix: strategy, competition, interaction and character which can help ensure that the elements are coherent. These four paths all go through

the middle element in the matrix, the brand core, and the thought is that the surrounding elements shall be coherent and support the brand core element. The brand core is about what the company promises and their core values (Urde, 2021).

EXTERNAL	<p>VALUE PROPOSITION</p> <p>Clean and natural cosmetic products</p>	<p>RELATIONSHIPS</p> <p>Transparent and open communication</p>	<p>POSITION</p> <p>A cosmetic brand with an ethical, social and environmental purpose</p>
INTERNAL/ EXTERNAL	<p>EXPRESSION</p> <p>In-store experience and their activist approach</p>	<p>BRAND CORE</p> <p>Social and environmentally sustainable cosmetic products</p>	<p>PERSONALITY</p> <p>Not afraid of taking a stance on issues</p>
INTERNAL	<p>MISSION AND VISION</p> <p>To create a cosmetic revolution</p>	<p>CULTURE</p> <p>Individuality, empowerment and diversity</p>	<p>COMPETENCES</p> <p>Ethical awareness since Lush's establishment</p>

Figure 1. Corporate Brand Identity Matrix (Urde, 2021) applied and adapted to Lush.

Figure 1 shows the Brand Identity Matrix applied to Lush. Lush has six core values that all are about providing social and environmentally sustainable cosmetic products. The statement they made when deciding to quit social media strengthened especially three of the elements in the matrix, namely the position, the personality and the brand core. Their position as a cosmetic brand with an ethical, social and environmental purpose is further strengthened with them daring to take the decision they did. Their core values are strengthened as well since Lush shows that they stand by their core values even when there is a financial risk present. Excluding social media from their marketing mix also makes their personality even clearer, further emphasizing that they are not afraid of taking a stance on issues.

Corporate Reputation

The Corporate Brand Identity and Reputational Matrix is an extension of the Corporate Brand Identity Matrix and includes a reputational aspect. This extended matrix is the cumulative representation of the corporate brand's reputation based on eight reputational elements. Each of these eight reflect one of the elements in the

identity matrix. It is important to look at the concept of reputation to recognize the consequences of the managerial decision on Lush's' reputation, both in the short- and long-term.

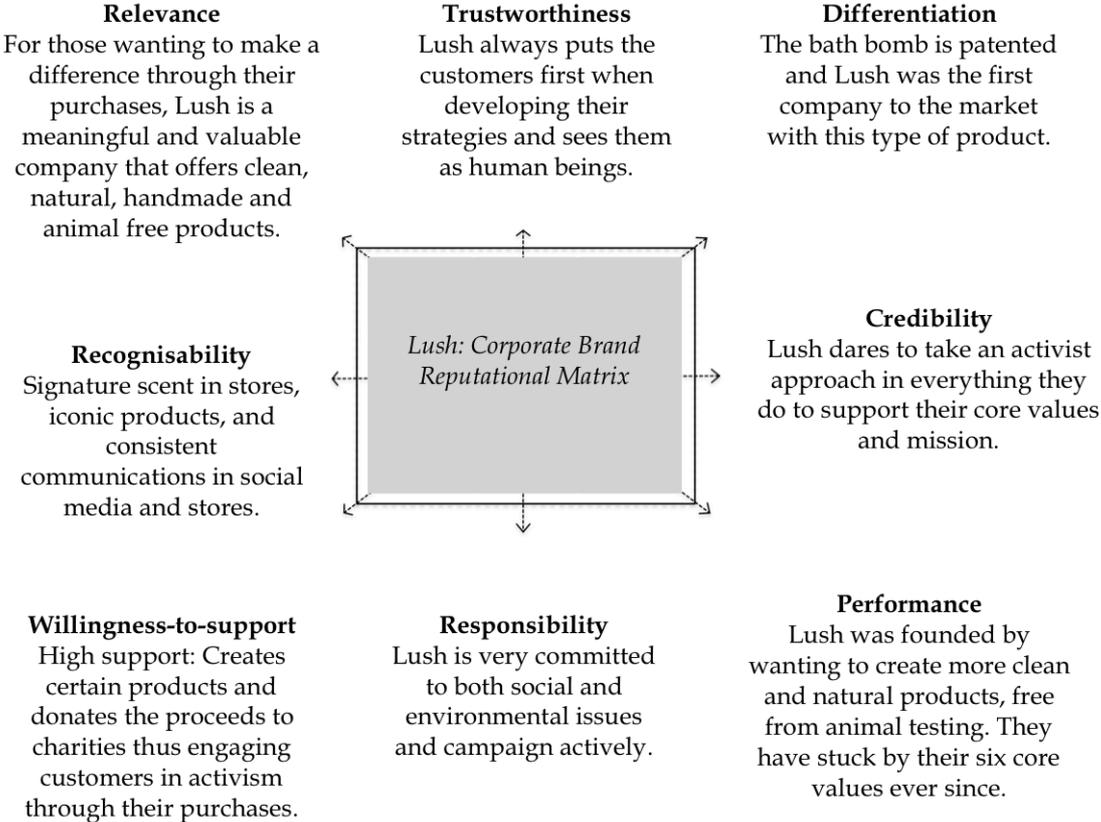


Figure 2. Corporate Brand Reputational Matrix (Urde, 2021) applied and adapted to Lush.

Figure 2 shows the corporate reputational matrix applied to Lush as a brand. Through this application, it could be determined that the reputational elements of trustworthiness, credibility and responsibility are affected by the decision to exclude social media from the marketing mix. The elements of trustworthiness and responsibility will be impacted in a positive way by this decision as customers are reminded that their mental health comes before the profits provided by social media. As Lush is committed to social issues and campaign actively, they are able to show through this decision that they are committed and hold themselves accountable for protecting their customers against the damages of social media.

The decision to remove social media from the marketing mix is a way for Lush to continue to stand by their core values, vision and mission, positively impacting their credibility in the eyes of their stakeholders. However, there are risks involved with this decision as well. The risk poses the questions: what if Lush decides to return to social media? How will this then be perceived by their stakeholders? What are the reputational risks of returning to social media?

Corporate Communication

As Roper and Fill (2012) state, the core responsibility of corporate communication is the way in which stakeholders perceive an organization. In the case of Lush, it is important that the communication function is aligned with the strategy implementation. Especially due to the removal of one of the largest parts of their communication channels, social media, the company needs to have a strategic alternative in order to still be able to communicate with their customers and stakeholders. Lush needs to have a strategic approach to communicate at all three dimensions of their corporate communication.

In the dimension of Management Communication managers should communicate externally as well as internally. That way, the company ensures that external stakeholders understand the decision and represent their new vision. By focusing on internal communication, the managers can enable employees to accomplish the firm's corporate objectives by using communications to reinforce corporate values in a way that has meaning for employees (Roper & Fill, 2012). This will result in a clear and cohesive vision that will be spread by all stakeholders.

Another important dimension that Lush needs to focus on is the Marketing Communication. Instead of providing the information on their social media channels, Lush should focus on integrating their message on other marketing channels, such as their website, e-commerce or in their app. This way, Lush is still able to create an emotional message whilst providing necessary information to their customers. Especially during the time of uncertainty, it might be difficult for their customers to understand the decision, but in order to prevent any losses in customers relationships, a strategic communication plan on other channels is necessary.

The third dimension that needs to be considered while making a statement, is the Organizational Communication which embraces a range of public relations such as public affairs, media and investor relations (Roper & Fill, 2012). This incident may result in an array of tertiary communications. Through word-of-mouth and media commentary, Lush may receive more engagement and brand awareness from consumers. Such a bold statement is very rare and not many companies are willing to address issues such as mental health on the risk of their own reputation and potential losses. Though Lush was bold enough and had a very strategic approach to their mission.

Overview of Key Learnings

Table 1, based on Bloom's taxonomy (Bloom, 1956), will be used to present the learning objectives for this case. There are six stages, each one building on the previous stage, leading up to creation. Each stage states the overall key learning objective and then states the objective applied to the context of the Lush case.

Table 1. Overview of Key Learning Objectives

Key Learning Objectives		
<i>Remember</i>	...the way a brand stands by their values can strengthen/weaken their position	Here: Lush, as an activist brand, making a statement by closing down their social media accounts
<i>Understand</i>	...standing by the brand's core values can cost	Here: Closing their SM accounts is a financial risk
<i>Apply</i>	...brand management concepts	Here: Corporate Communication, Corporate Brand Identity, Corporate Reputation
<i>Analyse</i>	...the impact on reputation and the way the decision should be communicated to stakeholders	Here: The reputational risks and rewards involved
<i>Evaluate</i>	...if standing by the brand's values override the risks and the short term and long term consequences of the decision	Here: The value of Lush's core values
<i>Create</i>	...an updated marketing and communications strategy	Here: Lush focused on other marketing channels to support their decision and compensate for the removal of SM from their marketing mix

Discussion Questions

The main and assisting questions are presented to guide the instructor in how to create an engaging discussion. The aim of having an in-depth and engaging discussion is to ensure that the learning objectives can be achieved. The questions are intended to be used in the following order, however, the instructor is able to use the assisting questions as seen fit depending on the direction of the discussion. The suggested questions are as follows:

Main Question:

- Should Lush take social media out of their marketing mix and how would this be done?

Assisting Questions:

- Should all their social media accounts be taken offline or should they keep some accounts online?
- What marketing actions would be taken in place of social media?
- How would the closing of their social media accounts be communicated and motivated to stakeholders?

- What are the long term and short term effects of the decision?
- What would happen if the financials of Lush go down drastically? How would Lush's reputation be affected if they need to bring social media into their marketing mix again?

Teaching Suggestions

The following section details three phases of the case presentation to guide the instructor on how to teach and present the case. The first phase includes the preparation and introduction of the case, followed by the case discussion and finally the concluding phase. The suggestions made are to ensure an engaging discussion and that the learning objectives are achieved.

Pre-presentation and Introduction Phase

In the pre-presentation phase, it is important that the instructor has the right tools to present the case. If the case presentation takes place in-person, the instructor should make sure that the PowerPoint is working and visible to everyone. If the presentation takes place online, the instructor should ensure that the microphone, video and presentation sharing work beforehand to avoid time spent on technical issues. An example of the live case visuals is included in the case if the instructor decides to make use of these. The instructor should then have all relevant information present: the background of the case, the incident, the managerial decisions, and the teaching notes. After having read through the relevant case materials, the instructor should have a plan for how to write down the answers provided by the participants on a whiteboard.

The case presentation is set out to be conducted by one sole instructor. However, if there is more than one instructor present, one takes the role of case mediator while the other assists in writing down the ideas from participants on the whiteboard. To ensure that there is enough time for all parts of the case presentation, the instructor should have an idea of the time plan, though this time plan can be adjusted as seen fit.

After all the preparation is concluded, the instructor can move on to the introduction phase. Here, the instructor should first set the scene. This involves informing the participants that the time frame during the presentation is the year 2021 and that they should take on the role as the board of directors at Lush. Once this is done, the instructor should proceed with the presentation of the background of the case and subsequently, the incident.

Case Discussion Phase

The next phase is the case discussion. In this phase, the instructor should continue to incorporate a role play and remind participants to take the role of the board of directors at Lush. During the discussion it is important that the instructor takes the role of the discussion leader in order to guide the participants through the debate without influencing their arguments. To have a successful discussion, the instructor

should make sure to have the main question visible and have it written down on a whiteboard so participants are informed at all times.

The instructor should encourage the participants to share their thoughts and engage in the discussion, while remaining unbiased to help steer the discussion in the right direction. Assisting questions could be used by the instructor to ensure that the discussion does not stray away from the case, if needed. Depending on the time plan of the case presentation, the entire class participates in the discussion from the beginning, or is divided into smaller groups. If the case presentation will be online, the class could be divided into different breakout sessions. This also gives students the chance to discuss their ideas first before suggesting a decision. The instructor should attempt to balance the emphasis of more active and passive participants.

In order to define a final managerial decision based on the group discussion, the instructor could use voting tools such as Mentimeter or physical voting cards. Making sure to explain the correct instructions of online tools in the beginning of the discussion will prevent any misunderstandings. It is important for the instructor to stay within the given time plan and come to a final conclusion of the group discussion. Therefore, it is possible to let one of the participants conclude the agreed managerial actions while the instructor visualizes the final outcome on the whiteboard.

Concluding Phase

When the time planned for the discussion is reached, the instructor should continue the presentation with the managerial decision. At this stage, it is time to present what the board of Lush actually decided to do and how they did it. The instructor could use the same presentation tools as he or she did when presenting the background and incident of the case. It is also suggested that the instructor presents the live case visuals with examples of Lush's new strategy to the audience so they are able to visualize the decision and enhance their understanding.

When the instructor has presented what the managers' decision was, it is proposed to ask the audience if they have any questions and what their thoughts on the decision are. For example, if the participants agree with the decision or not, and if they would have done something differently. To summarize the case and conclude the discussion, the instructor should, together with the participants, write the key takeaways on the whiteboard. To end the presentation, the instructor should thank the audience for their participation and time.

Time Plan

The time plan detailed in **Figure 3** will give an overview for the instructor on the exact time each section will cover to ensure that everything is included in the presentation. Most case presentations vary in their time; therefore, this time plan will be a guideline that can be adapted to different scenarios and each section will be percentage based.

Having only a 20-minute time frame would therefore mean to dedicate 4 minutes to introduce the company with its values and give some background information, followed by 4 minutes of stating the incident. 8 minutes should be contributed to have a group discussion and the last 4 minutes should summarize the findings and briefly present the management decision. Ideally, a second group discussion should take place in order to discuss the managerial decision and discuss the current situation as well as the future consequences and potential reputational damages.

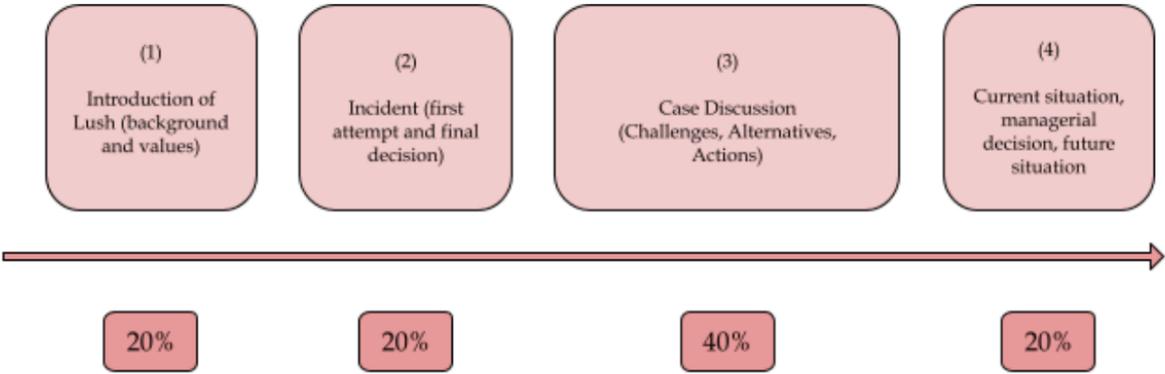


Figure 3. Percentage based time plan

Reflection

The journey to write the “Lush vs Social Media” case was not a straight one. We did face challenges that we were not initially expecting though overall, this journey was a very interesting one with plenty of takeaways. Early on in this process, we needed to select a case and had come up with a few suggestions. Although, after the meeting with our supervisor, we came to the realization that this would be more challenging than expected. It was difficult to select a case that would spur an engaging class discussion. Our group had to come up with a few more examples before we landed on what felt like the ‘right’ case for us, a case that all members were passionate about.

We presented the case of Lush to our supervisor and had an in-depth discussion about the case, helping us to define a clear case question as well as further information that needed to be gathered to have an engaging case discussion. It was our first “Aha-moment” when we as a group agreed upon the fit of this case and finally had a topic we were all interested in. This gave us a confident start into writing the case, because the common interest and enthusiasm for the topic is crucial for a good group dynamic and a good group work. The process of writing this case did not feel like an assignment and the research sparked a personal interest to gain further information and knowledge about Lush and their marketing strategy.

One of our main reflections of the case is that due to the recency of the incident it was more difficult to predict any long-term impacts. Considering the future consequences, all of our recommendations as well as the group's decision are merely speculations, as they have not yet been realized yet. However, the recency is one positive reflection: not many people know about the case and therefore we believe that it can catch the attention of the class.

One of the key takeaways from case writing was the insight that a lot more goes into a case than initially expected. For example, the writing of the teaching notes outlining how to properly teach the case. However, case writing was a lot more interesting and engaging to write as compared to a report since it revolves around a real-life decision taken by a company. Even though there is always room for improvement, we felt confident with our case and the presentation and overall, we were satisfied. The insights we have gained from our case writing, where we were able to approach the case from different perspectives, will enable us to be better equipped at solving future cases.

References

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