

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 document has the objective of providing all the information, suggested format, and the ideal structure for the conduction of the Absolut case. The detailed guidance contained here shall be used as a support for the preparation and organization of the presentation and discussion about this case. By using these notes, the idea is to guarantee that the presenter will make the case even more attractive and intriguing to the students, contributing to the achievement of the learning objectives. Through this document, the presenter will have instructions on how to introduce the case and keep a captivating discussion. The teaching plan presents a summary with the context of the case, describes the key learning objectives, suggests additional questions to support the discussion, gives teaching recommendations, indicates the best time structure, and presents a board plan with an example of how to sustain the case and what are the main expected outcomes after its conclusion. Below, we will start with the synopsis of the case.

Case Synopsis

In 2018, Elliot's Management – investors in Pernod Ricard, released a statement stating that there has been a noticeable performance drop over the years by Pernod Ricard's portfolio, and started losing some of its market share. Up until 2018, stakeholders have been pressuring Pernod Ricard's management to take action towards short-term profitability as well as long-term profitability and growth while being sustainable. Absolut - the strongest brand in the portfolio was put under the spotlight as it fell short of expectations after being acquired in 2008, while competitors were growing and taking market share.

With new trends such as sustainability and low alcoholic beverages guided by new generations' preferences coming up, Absolut's market share was threatened even more. Especially with new entrants like New Amsterdam and Tito's Handmade Vodka who were quickly catching up to big companies or even outperforming them in the biggest vodka market in the world. In response to these changes Absolut attempted to reach consumers with their "Nothing to hide" ad, but it was not as effective to meet their objectives and satisfy their shareholders.

Therefore, this brings up the question for Absolut's management team: "How should the marketing action plan improve Absolut's profitability and/or market share and keep its relevance for the future? Should the brand keep prioritizing a sustainability approach to attract the new generations? What actions does The Absolut Company need to prioritize?"

Learning objectives

The Absolut Vodka case has wide-ranging implications for corporate brand identity and corporate brand positioning. The case audience must meet a development of learning objectives within those aspects. The lecturer's primary goal is to present along with the discussion and analysis of the case so that the audience acknowledges the connections to foundational concepts and theories. Above all, the audience must be eligible to apply these theories in comparable circumstances. As a result, the following section provides the learning strategies related to the case and highlights the objectives based on the lecture material, concepts, models, and theories.

Corporate Brand Identity

The Absolut Vodka and its underperformed issue had shown the case audience the dilemmas of protecting its brand identity and fulfilling the shareholder's intentions. Absolut is one of the expensive brands among the leading vodka brands because the product's price is relatively high. Therefore, Absolut is positioning itself as a premium vodka with high quality for fashion-conscious, rich and dynamic lifestyle consumers. Although higher-priced premium vodka brands are growing at a slower rate, customers are still willing to pay for buying Absolut. On the other hand, Absolut shareholder Elliott Management deemed that the slow-growth rate in Absolut as a premium vodka brand could lead Absolut to lose its operating margin and become outperformed of its closest rival, Smirnoff vodka.

The actual anxiety comes when the corporate brand identity is opposed to its corporate shareholder's financial and strategic objectives. The following explanation from Urde (2021) will be the perfect concept and theory to analyze different perspectives of the Absolut and its shareholders in seeing their corporate brand identity.

"Corporate – corpus – in Latin stands for "body and entity." Viewed as a whole, a corporate brand has an internal side, an external side, and a core. Its meaning, relevance, and uniqueness are created in an ongoing interaction among the organization standing behind the brand and its customers and non-customer stakeholders (Urde, 1999; 2003). The brand is continuously shaped and positioned in people's minds and hearts in a cultural setting and competitive environment"

Absolut found it challenging to meet the demands of the interests of its shareholder to increase profit margins and took first place rank in the vodka beverage market, beating Smirnoff vodka is using a low-price strategy to win the majority market. Furthermore, this will indirectly affect the brand identity of Absolut as a premium vodka drink. Both Absolute and Smirnoff have different market shares. Absolut has long positioned its brand as a premium brand that has become their relevance and uniqueness in the hearts and minds of customers, employees, even in the eyes of Pernod Ricard as Absolut's mother brand. According to the citation above from Urde (2021), as a corporate brand, Absolut faces a dilemma in determining attitudes and strategies to respond to its shareholder's intentions. Thus, a new strategy

to increase profit margins and initiate a sustainability roadmap to attract younger buyers' market can affect the corporate brand identity that it has continuously built for a long time to its targeted audience. The concern of being irrelevant and losing its uniqueness will be another reason Absolut considers.

Corporate Brand Identity Matrix

The Absolut Vodka case shows the case audience the importance of understanding corporate brand identity in formulating strategies, especially long term. The Corporate Brand Identity Matrix (CBIM) by Urde (2013) is a critical model underpinning the case. It provides a systematic overview of corporate brand identity and illustrates how to develop and build a corporate brand identity:

"When a corporate brand identity is coherent, each of the eight other elements inform and echo the brand core at the center of the matrix, resonating with the company's values and what the brand stands for. The brand core, in turn, shapes the other elements."

The corporate brand identity matrix can help solve the case by directing executive teams through a systematic number of criteria that analyze components of identification connected to the organization's mission, culture, competencies, values, and other distinguishing qualities. Figure 1 shows the CBIM related to the Absolut Vodka case.

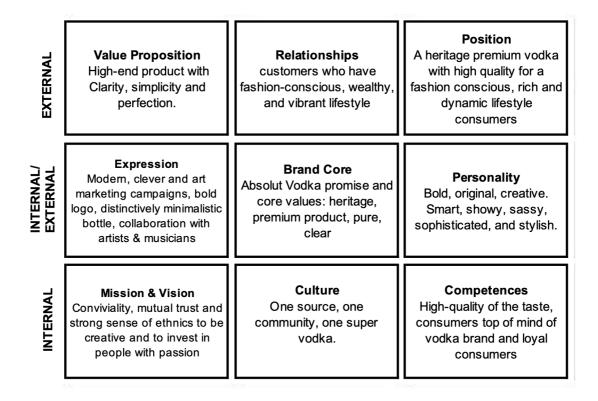


Figure 1. Corporate Brand Identity Matrix (Urde, 2013) applied to the Absolut Vodka company

The first outer layer: Communicating & Positioning

The brand identity matrix has presented the Absolut corporate brand's why, how, what, and by whom; the next step is to analyze how to communicate and position the Absolut brand to respond its case.

Signature story

"A signature story is an intriguing, authentic, involving narrative resonating with the essence of a corporate brand's identity" (Aaker, 2018; Fog, Budtz & Yakaboylu, 2005)

The Absolut continuously creates an advertising campaign that resonates stories about its brand's value proposition. In the early 1980s in New York, Absolut Vodka was popular among the creative community. Absolut is known for its long-running advertising campaign created by TBWA. The first of the ads and typically the rest was introduced in 1981 and featured a picture of the bottle with a halo over the cap above the slogan "Absolut Perfection". The advertising has won hundreds of awards, including charter membership in the American Marketing Association's Marketing Hall of Fame. Figure 2 shows the Signature Story as a communication and positioning theme related to the Absolut Vodka company.

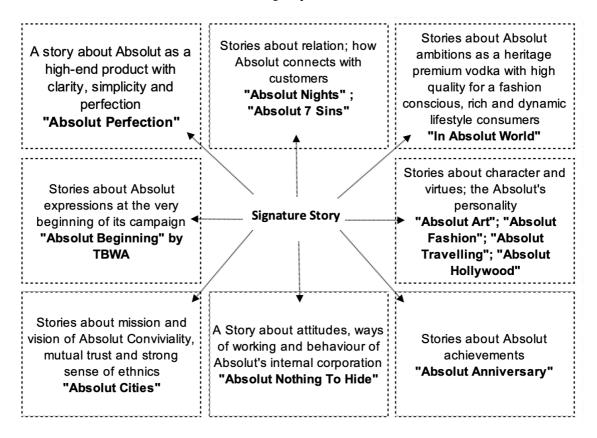


Figure 2. Signature story applied to the Absolut Vodka company

Pathos Perspective: Continuity and Change?

In the Absolut case, both the Pernod Ricard Company as Absolut's mother company and the Absolut itself must face the challenges to adapt to the innovations, technologies and competitions while protecting the brand's promise and core values. The citation from Urde (2021) about continuity and change seems to be perfectly fit to understand the Absolut case:

"Start by interpreting or reinterpreting your brand's core identity in light of the current market situation and the world around you. Review and update, if necessary, your brand's logos-ethos-pathos appeals: "To be the same, you sometimes need to change." Doing so will help you adapt or change your communication and positioning while keeping your brand's core identity stable and enrich it."

With its premium vodka brand positioning, the Absolut brand has remained stable for more than a decade. In 2006, vodka was the most prominent growth category in any significant international spirit sector. More premium vodka brands, including Absolut, stepped into the global market. The total global consumption of vodka in 2006 is up to 513.5 million cases, based on the International Wine and Spirit Record estimates. Not long ago, there was an economic loss in the 2008-2009 recession that caused more vodka drinkers to switch to the low-priced vodka. At the same time, Absolut keeps its brand positioning in the market as a premium vodka product. Absolut managed to survive as a premium vodka product during the recession period in the U.S. and became the second-largest vodka brand in sales volume. Nevertheless, in 2008, Absolut shareholders submitted a request to Absolut to increase profitability, increase market share to defeat its main competitor (Smirnoff vodka) and start implementing a sustainability roadmap. Thus, over time, the pressure that comes from internal or external parties to make changes to brand promise and core values can come at any time.

The pressure that can shift the brand's promise and core values of a company was not easy at first. Here is the identity matrix to illustrate changes with implications for communication and positioning. Figure 3 summarizes the Absolut identity core based on our analysis. Changes are in italic words and dark blue highlighted.

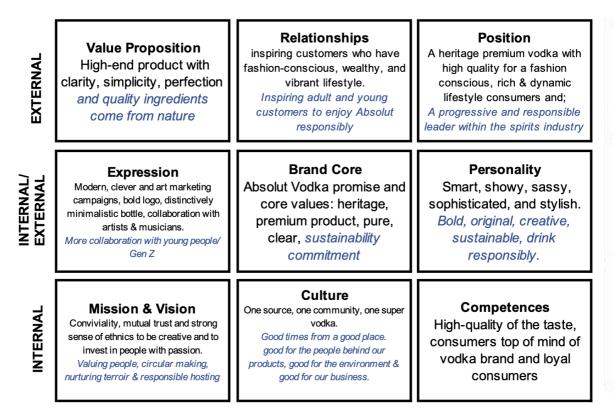


Figure 3. The evolving of The Absolut Vodka identity core

According to Figure 3, the evolution of the Absolut identity core occurred in most of all previous identities. For example, the start of the sustainability roadmap in 2019 changed the brand core, value proposition, position, personality, culture, mission and vision. There are sustainability elements in those six identities. While the efforts to expand market share to the young customer segment through more collaboration with young people as well as collaboration with a school and social inclusion of non-profit organizations through "support Fryshuset" and the #drinkresponsibly and #mixresponsibly campaigns, adding new elements to the relationships, expression and personality of the Absolut identity.

The second outer layer: Reputation

After discovering the evolution of the Absolut's identity core, it is recommended to move to the Absolut's reputation analysis. The corporate brand's reputation is a collective representation of personal judgments based on past and present words and deeds and future prospects (Fombrun, 1996; Roper & Fill, 2012). Urde (2021) also mentioned:

"...As noted earlier, what others think of your corporate brand affects your business reality... The reputational layer can be used for alignment and troubleshooting, but also for exploration of new business opportunities... The reputational layer can serve as a guide to help an executive team go through a structured set of questions about the corporate brand's stature"

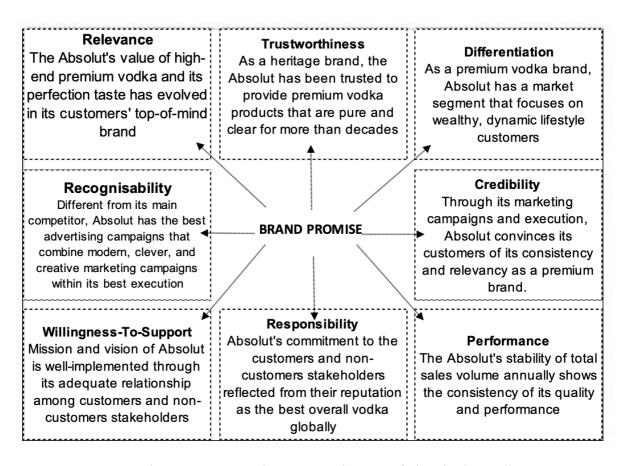


Figure 4. The Corporate Brand Reputational Matrix of The Absolut Vodka

The figure 4 above shows the CBRM model applied to Absolut before it was changed, adjusting the demands from its mother's company and the shareholder. This CBRM model and concept could be a consideration for the case audience to consider carefully before building its strategic repositioning plan adapting Absolut's new targets. The case audience could analyze through the CBRM matrix model whether Absolut's current CBRM is levelling up or needs to be adjusted. Here is the explanation from Urde (2021) about using CBRM as an assessment tool to see the overall picture of a corporate brand's reputation:

"Most likely, there will be discrepancies between your views and your customers' and stakeholders' perceptions of the corporate brand. There will be gaps where you are doing better than expected and others where there are disappointments. Some gaps are to be expected as a result of strategic repositioning or change processes"

Key learning objectives

To sum up the expected learning outcomes the case audience are expected to achieve when solving the case, Table 1 contains the key learning objectives related to the literature and how it is directly linked to this case.

Table 1 - Key Learning Objectives

	Objective	This Case
Remembering	Brand identity and reputation and crucial even when a brand doesn't meet expectations	Because of its reputation, consumers were still paying for Absolut's higher priced vodka even with competitively priced alternatives
Understanding	brand identity elements can be adjusted while staying true to the brand core	Absolut changing 8 of the elements highlighted in the learning objectives
Applying	Using important corporate brand management and reputation terms and models and concepts in making strategic decisions for growth	CBIM, CBRM, signature stories and storytelling
Evaluating	Elements of the CBRM and how it can be improved	How Absolut can reposition themselves while considering to their stakeholders
Creating	decision to meet both short- term and long-term goals	Strategic plan to maintain relevance, improve profitability and market share

Discussion questions

To provide a starting point for the discussion and offer a path to sustain it in an engaging way, it is crucial to prepare relevant questions connected to the case in advance. With the aim to guide the discussion in the intended direction and help students to access diverse arguments when addressing possible solutions for the case, it is highly recommended for the presenter to keep in mind and explore the following main and assisting questions:

Main question

How should be the marketing action plan to improve Absolut's profitability and/or market share, also keeping its relevance for the future? Should the brand keep prioritizing a sustainability approach to attract the new generations?

Assisting questions

- Which are the main pillars that led Absolut to become an iconic brand? Do you think these pillars are still relevant today?
- Should Absolut stay out from the spotlight for a while and focus more on supporting a more aggressive commercial strategy (lowering prices, negotiating with retailers, etc)?
- Do you think that high sustainability can be combined with high profitability?
- In situations like this involving pressure for results and novelty after years of oscillation is it feasible to make changes in the leadership team?
- Should Absolut consider developing new products?
- Is sustainability a key characteristic of Absolut's brand core?
- Is advertising important for Absolut's reputation?
- What do you think are the main differences between Gen Zs and previous generations? How does it impact a brand?

Teaching suggestions

For a better development of the learning experience and discussions, it is essential a prior preparation and planning by the instructor considering all the previous context related to the case. Therefore, this part of the document focuses specifically on offering practical suggestions on how to prepare, conduct and connect the case in a way that simulates a real scenario of management decisions among students. This includes the use of visual materials such as slides, graphics and videos, as well as whiteboards or flipcharts to facilitate a real-time summarizing for key points of the discussion in the classroom. In the sections below, it is presented teaching suggestions based on previous practical experiences considering the following phases: Previous Preparation; Introduction of the case; Discussion Session, and Conclusion.

Previous Preparation

First of all, the instructor needs to have a deep knowledge about the case. In addition to this present document, a previous and detailed reading of the writing case and the management decisions is a must, and it is strongly recommended for the instructor to take notes and potential new insights based on these documents. The instructor needs to keep in mind the whole design of the case, being aligned with the main learning objectives and concepts related to the situation reported. It is also highly recommended for the instructor to go deeper in understanding the complete story of Absolut, its origins, ads and relevance over the years. The same is applied for the story and strategic context of Pernod Ricard, owner of the brand and who plays a major role in the case. In addition to the planning guidance provided in this document, it is also a must for the instructor to create his own plan to structure the case, considering possible adaptations required depending on the profile of the students/audience and the current business context on the moment that the case will be presented.

To warm up the students with the case, it is crucial to provide the Written Case for the students no later than 24h before the practical activity. Together with the Written Case, it is relevant to recommend a previous study from the concepts of Reputation (Fombrun, 1996; Roper & Fill, 2012; Urde, 2021), Signature Stories (Aaker, 2018; Fog, Budtz & Yakaboylu, 2005). The students are not supposed to mastering these concepts before the case, but previous readings should provide at least a basic knowledge from the literature to support the decisions on the real life context presented through the case.

As a final suggestion for the previous preparation, it is a must to prepare a visual support - slides - to guarantee the visual stimulation among the context, challenges and actors involved with the case.

Introduction phase

To provide a proper start for the case, it is relevant to provide a soft introduction of the case based on the own experience of students, something that can stimulate the participation of class right in the beginning and also provide a way to "break the ice" with the students. To perform this introduction, it is recommended that the instructor asks questions that puts students in direct contact with the company to be analyzed, such as by asking how many students are used to drinking vodka, and in which context they are used to consuming it. If there is still an "ice to be broken", the instructor can provide his own experience regarding drinking vodka, in a way that can provide a safe way for students to share their opinions. After some comments, the instructor can ask how many students have Absolut as the first brand that comes to mind when talking about vodka, and what associations - memories, perceptions, opinions - they can relate with the brand. After a while and with the information received, the instructor can move forward with the case presentation according to the previous preparation structured in advance

Discussion session

The discussion session starts with the instructor informing the class that now they need to see themselves as the CEO of The Absolut Company, who are supposed to develop an action plan for Absolut's brand considering the situation related in the Written Case. After it, it is needed to remind the class about the main question provided in the document, and stimulate the class to combine both analytical and creative skills to propose possible solutions. As a last step before initiating the discussion session, the instructor should ask the students if they need any further explanation or guidance before starting the discussion.

As a mediator, the instructor needs to stay impartial and open to every point of view and opinion stated by the students, performing as a facilitator for an optimised flow of the discussion. To guarantee the proper direction of the discussion, it is strongly recommended that the instructor use the assisting questions listed in this document, also to keep the engagement with the discussion if needed.

Along the discussion session, the instructor can make use of planned supporting tools to summarize the answers and solutions provided by students. It is also a responsibility of the instructor to make sure that every group or participant has the chance to share their thoughts and proposals for the case, and it can be guaranteed through a previous agreement on the sequential order for groups to speak or by proposing students to raise their hands before speaking. If it is noticed that a group or student seems to be monopolizing the discussion, it is important that the instructor intervene by moving forward to other opinions. Also, it is recommended that the instructor softly stimulates different opinions by asking for it if similar comments are noticed. At the end, the instructor can build with the class a summary of the opinions and recommendations using the tools decided in the previous preparation, such as a flipchart or whiteboard.

Conclusion

After spending all the planned time for the discussion session, the instructor should move the focus for the conclusion phase. Here, the instructor may present the management decisions taken by the company in the real case, punctuating the connections and differences among the possible solutions provided by the class during the discussion session and the real action plan developed by the real case solvers.

When finishing the presentation of the management decisions, the instructor shall encourage students to share their opinions regarding it in order to strengthen the learning experience and its objectives. As the final step, the instructor can summarise the main key learnings achieved with the class, and relevant takeaways based on the case solving experience. After it, the instructor shall ask if the students have final questions and then thank the participants for the discussion, finally ending the presentation.

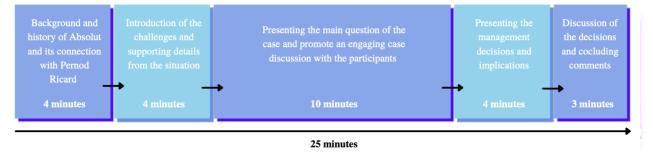
Time plan

In order to help the instructor with how much time is needed to develop each session of the case, in an optimal way that guarantees all the key points to be covered in the right time, the following plan - see Figure 5 - is provided. Is important to keep in mind that this time plan can be adapted depending on how much time is available for the full case session. Ideally, this case can be presented in sessions from 25 minutes up to 60 minutes, with the need for the instructor to insert additional details from the background and the challenges in the Previous Preparation for sessions with more than 60 minutes. As an example, see Figure 6 for a suggestion of time for each phase in a 25 minutes presentation.

Figure 6 Time Plan



Figure 6 Example for 25-minutes presentation



Board plan

It is essential for the instructor to have a clear understanding of the main points and key learning to be developed and achieved during the discussion session. In this regard, it is recommended that the instructor develop a previous board plan considering these aims. The board plan is a support for both the instructor and audience to have a general overview about thoughts and insights generated during the discussion. Based on practical experience, Table 2 shows a framework for a board plan and how it can be developed. It is important to note that this framework serves as an example among the multiple possibilities of desired direction of the discussion depending on the audience and engagement, so the instructor should feel free to perform any adaptation on format when planning the case presentation and performing it in the classroom. After discussing the case, it is expected that the

audience may be able to offer a recommendation on the final management decision for the case, based on consensus among the participants.

Table 2 - Board Plan

Challenges	Reasons	Possible Actions
* Pressure for internal changes and for a better performance coming from the shareholders	* Underperformance comparing main competitors in finantial terms	** Considering a more agressive strategy by reducing price to gain more scale and/or cutting cost on the production process (lowring the quality of the product)
	* Absolut have more exposition by being the main brand of Pernod Ricard portfolio	** Try to stay out of the spotlights for a period and focus the energy on increasing the results more through an internal approach
	* Parent company is still a family business, bringing uncertainty among some investors	* Promote changes in the management team to show that the company is committed in trying new ideas and approachs
* Need to assure the brand as a cultural-relevant icon for the new generations	* New paradigms for consumption and preferences for alcoholic beverages between Gen Z	** Promote research with consumers and gain insights to develop new products/brand extensions
	* Big expectations on a brand that has been synonim of relevancy along the years	** Double the bet on advertising, but considering different concepts and focusing on what the brand is recognized for
	* Missing of more viral campaigns in a global context.	** Focus more on digital channels and promote more engagement online
* Reavaluation of the brand's storytelling on sustainability	** The Absolut Company is a "lonely star" in terms of sustainability among Pernod Ricard's portfolio and corporate strategy	** Work together with Pernod Ricard's board to push a bolder strategy on sustainability aligned with the whole group
	* Main competitors are better positioned in institutional terms regarding commitments on sustainability	** Forget the sustainable approach for a while and focus more on straight-to-the-point communications to increase sales
	** Both consumers and investor wants sustainable commitments from brands, but Absolut by itself is not managing to compensate its lack of solid results based on a sustainable approach	
* Increase of competition in the spirits market	* New entrants growing faster than expected in key markets	** Reinforce the position of Absolut as the biggest premium vodka brand in the world thorugh assertive marketing campagins
	* Increasing interest on local brands and curiosity for small batch/artesanal spirits	* Develop join ventures or collaborations with small brands

The board plan exemplified above consists of three key aspects regarding the case: the challenges faced by the brand, the reasons connected with these challenges, and the possible actions to address answers to each challenge. During the discussion in the classroom, the board plan can be built by the instructor or by a member from the audience. For each aspect of the boarding plan it is needed to identify the information provided by the instructor during the introduction and presentation of the case, together with possible comments and further details from questions from the audience before the beginning of the discussion.

By using a board plan like this, it will be easier for the audience to have an overview from the key points of the case and the possible directions to providing solutions for it through the final recommendations.

Reflection

"Management is a wisdom that cannot be taught" - is the first sentence that the course professor - Mats Urde - presented in the BUSN35 Corporate Brand Management and Reputation at Lund University, and writing this case proved that. Writing a case was definitely a challenge, especially starting from a point where none of the three team members had any experience in case writing and solving, however no learning experience comes without challenges and this added more value to the whole learning process and made it more interesting. The process started with a group supervision from the professor, where the group thoroughly analyzed and presented different options to come up with the case to write, and Absolut's case stood out among the other options.

Being put in the shoes of the decision maker - the CEO in this case - opened our eyes to how challenging decisions in taking the next step can be and how to carefully consider decisions as they can define a company or brand's image and reputation. As iconic as Absolut is, diving deeper into their decisions made us appreciate their efforts even more towards what we - the consumers want, and towards sustainability and the environment. To develop it further and try to make it more interesting for the audience, we put ourselves in their position to set the direction towards where a listener would be interested to know more about the situation the management was facing and how they dealt with it and be more engaged in solving the problem at hand. It was challenging but at the same time important for us to not take sides with or against the management in decisions taken to move forward . Another challenge we faced was identifying and linking the relevant literature and how it was changing along the way as the case was being further developed.

That being said, management definitely is a wisdom that cannot be taught, but it is safe to say that as challenging as it was, writing and solving a case was the first step that set us on the right track towards it and it was an opportunity that cannot be taken for granted.

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