

# **Stella Artois - Brewing a Better Reputation**

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## **TEACHING NOTES**

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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

The following teaching plan will provide guidelines for teachers and presenters in the case of “Stella Artois - Brewing a Better Reputation”. The guidelines will include information about how to structure and organize the case for the best possible learning outcomes. First, the teaching plan will start with a short case synopsis that will give an overview of the case, managerial decisions, and the theoretical areas that are related to the learnings in the case. Moreover, the teaching notes will include learning objectives, teaching suggestions, a more in-depth time plan, and a board plan for teaching in class.

## Case synopsis

Stella Artois was a high-end beer in the UK until it became associated with the term "wife-beater" in the early 2000s due to high-profile cases of domestic violence linked to people's high consumption of the beer. The nickname emerged due to media coverage of cases where perpetrators consumed Stella Artois before committing acts of violence. The high alcohol content of the beer contributed to its association with excessive alcohol consumption and attracting aggressive customers in pubs, further solidifying its negative reputation. Additionally, the beer's masculine image, emphasized in its advertising campaigns, may have played a role in shaping its reputation. The negative association led to continuous decline in sales in between 2003 and 2008 with the most significant drop in sales of the beer in 2007. Additionally many pubs and bars stopped serving it due to its reputation for attracting disruptive customers. Stella's most important market was the UK, as the country represented 49% of the brand's sales. As a result, it was crucial to implement new strategies to eliminate this negative association.

## *Learning objectives*

The case of Stella Artois's reputation allows participants to get a deeper understanding of areas such as reputation management, issue management, corporate communication, public relations, and crisis management. It further offers a deeper understanding of brands' identity and image.

There are several lessons to be learned from the Stella case. First and foremost, the understanding of the importance of brand reputation management. The case highlights the potential impact of negative associations on a brand and how important it is to take proactive steps to prevent and address them. The Stella Artois case offers an understanding of the importance of managing and aligning a brand all the way through.

Meanwhile it is important that when you opt for expansion, you take the cultural context into consideration while staying true to your identity. When Stella expanded towards the UK, they did not have a clear understanding of the new market or at least did not take the cultural context into account. In the UK most beers are lower in alcohol by volume (ABV) and a serving (pint) is typically much larger. Heineken handled this better than Stella and stuck to selling a weaker version of 3.4% of its original beer from the 1980s until the 2000s in the UK. We see an imbalance between consistency, therefore adaptation were necessary.

Monitoring market and consumer trends and public perception is crucial. In the UK, consumption behavior has changed over time and this should be taken into account. In the 1970s, 90% of beer was consumed in drinking establishments (bars and restaurants). By the 2000s this had dropped to 60%, meaning 40% was consumed outside drinking establishments (at home).

Perhaps one of the most important lessons to be learned from this case is that one must be quicker in spotting gaps that arise between identity and image. Stella should have realized earlier that there were several triggers that led to widening gaps between image and identity. Moreover, we can also learn from this case that media publications should be watched carefully. The image of the ‘wife-beater’ did not emerge overnight, Stella could have seen this coming earlier by keeping a close eye on the external environment.

The audience will gain both basic and advanced knowledge of the Stella case study. The table below lists the basic and advanced learning points together. The emphasis is on applying relevant theory to a real-life case to arrive at a clear plan for Stella on how to rebuild her reputation.

<p><b>Remembering</b></p>	<p>A brand is a promise. A strong brand has an earned reputation and clear position.</p>	<p>Stella Artois positioning become unclear when they heavily discounted the beer in the supermarkets.</p>
<p><b>Understanding</b></p>	<p>Certain brand elements might have to be changed, which is possible whilst staying true to your brand’s core.</p>	<p>Stella’s personality was redefined and specified to be feminine in the new “she is a thing of beauty” campaign.</p> <p>Part of Stella’s value proposition was also abandoned, as the strength of their beer wasn’t a unique selling point anymore when they lowered their beer’s alcohol content and introduced a weaker 4.0% version.</p>

		<p>The core remained the same, as they kept the promise of being a premium, high-quality beer to be enjoyed together.</p>
<b>Applying</b>	<ul style="list-style-type: none"> <li>-The Brand Identity Matrix</li> <li>-The Market &amp; Brand-oriented Framework</li> <li>-The VCI Model</li> </ul>	<p>Applying the brand identity matrix elements on the Stella Artois brand to understand the brand's identity better.</p> <p>Applying the Market &amp; Brand-oriented Framework, to learn how the two elements form a synergy.</p> <p>Applying the VCI model to identify the potentially damaging gaps between the brands' identity, image and culture.</p>
<b>Analyzing</b>	<p>The crisis situation and the potentially damaging aspect of a brand's image.</p>	<p>Analyzing the Stella's wife-beater image shows that it might have started out as a little gimmick. But it is important to understand the harm in such a joke, especially when it becomes a widespread nickname. The brand should avoid such associations and make sure not to put oil on the fire. Stella should have realized that discounting itself that heavily in the supermarkets would attract the wrong consumers who think such a distasteful nickname is funny. The commonly used wife-beater image then repented white-collar consumers. This damaged the brand's reputation in the long-term.</p>
<b>Evaluating</b>	<p>How the proposed changes to the brand identity matrix impact the</p>	<p>While it is important to understand that brand elements can be changed without the brand's core, it is more important to actually figure out</p>

	brand's strength & performance	whether those changes resulted in a stronger brand. So the key is to evaluate the effects afterwards, which can be done with several metrics. As for the case with Stella the problem was with one specific product brand's performance, therefore I would focus on financial metrics. AB InBev's corporate brand wasn't necessarily damaged, as the nickname was only a problem in one of its many geographical markets.
<b>Creating</b>	A detailed plan of the future changes you wish to see and how you plan to achieve them.	As for Stella, make sure to set objectives both in the short- and long-term. It is important to benchmark and hold yourself accountable. Make sure to take the 8 reasons why transformations fail into account, this can help to avoid commonly made mistakes.

**Figure 1:** Key learning objectives

### *Teaching suggestions*

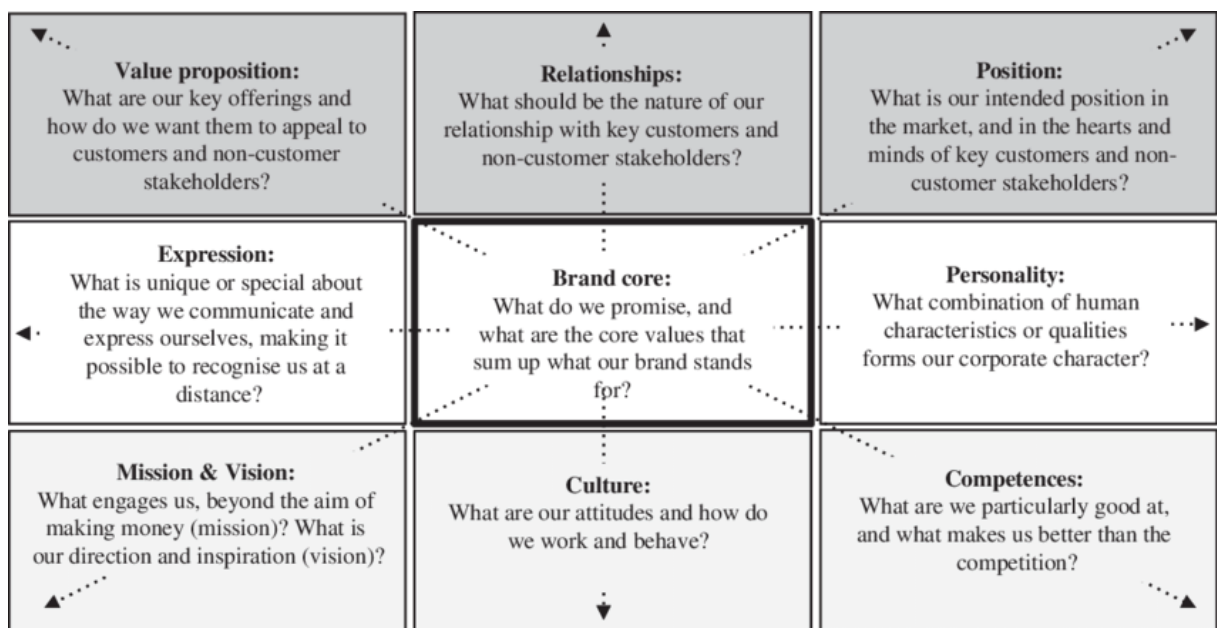
To ensure that the participants in the case obtain maximum benefit and achieve the desired learning objectives, it is crucial for the students to possess an understanding of marketing and brand management concepts, including image, identity, and culture, as well as corporate communication and reputation. Therefore, it is essential that the teacher provides relevant materials to enable students to establish a solid foundation in the subject matter in order to formulate recommendations for the Stella Artois case.

#### *Corporate Image and Identity*

A critical component of the case involves comprehending corporate image and identity. According to Rosenbaum, Percy & Pervan (2011), corporate identity refers to how an organization presents and identifies itself to people. Roper & Fill (2012) emphasize that establishing a distinct corporate identity is the initial and first step towards building a strong reputation. The image on the other hand, is described as how people perceive what beliefs they have about an organization (Rosenbaum, Percy & Pervan, 2011). It is emphasized that consistent marketing and communication efforts

should be made in order to generate a general consensus over time (Rosenbaum, Percy & Pervan, 2011).

When understanding the case, we believe it is important to get an overview of Stella Artois and who the brand is with the help of the Identity Matrix (Urde, 2013). This helps the class to get a better understanding of the identity and image of the brand, and how it is perceived by the stakeholders. The framework helps to define and explore the corporate brand identity both internally and externally (Urde, 2013). When communicating the corporate brand identity, it will create a developed picture in the mind of stakeholders and non-stakeholders, this means that the process of encoding enhances the picture of the identity (Urde, 2013). Therefore, it is crucial for the management to define and align the corporate identity to a single entity and thereby communicate it (Shannon and Weaver, 1964; de Saussure, 1983). The Identity Matrix (See Figure 2) will help the class in comprehending the brand and the various factors that influence its reputation. Additionally, it identifies potential disparities that could arise from a disconnect between the company's identity and its image.



**Figure 2: Brand Identity Matrix**

### *Vision-Culture-Image*

It's often the case that organizations have dysfunctional identities that don't match the image perceived by their stakeholders. This may occur when organizations prioritize market trends or stakeholder opinions over their own identity, making it challenging for them to meet the external image with their identity and culture. According to Hatch & Schultz's (2001) insights, establishing a corporate brand requires alignment among different strategic elements. They suggest that any misalignment needs to be identified and corrected to ensure consistency in the organization's image. To build a strong organization with the positive reputation it is necessary to align the

elements of Vision, image, and culture (Hatch & Schultz, 2001). Additionally, Hatch & Schultz (2003) emphasize that a fundamental aspect of corporate branding is placing emphasis on multiple stakeholders. This involves recognizing that the two most significant stakeholders are typically the employees and customers, as noted by Roper & Davies (2007).

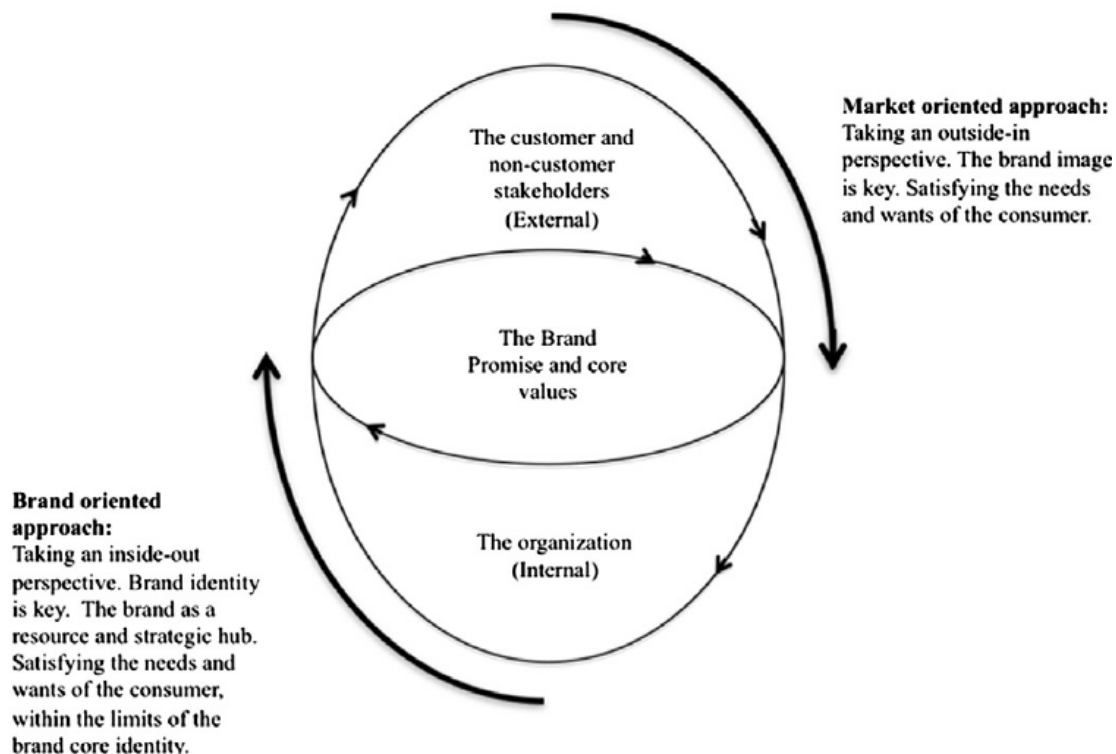


**Figure 3:** Vision-Culture-Image model

### *Market- and Brand-oriented approach*

The market and brand-oriented framework (Urde et al, 2011) illustrates two perspectives, the market oriented approach and the brand oriented approach. Urde et al. (2011) explains the brand-oriented approach involves defining the brand by starting from the inside and working outward. It focuses on the brand's identity as the key element and aims to meet the consumer's desires and requirements while adhering to the brand's core identity (Urde et al., 2011). When taking a market-oriented approach to defining a brand, the focus is on starting from the outside and moving inward (Urde et al., 2011). Further, the author emphasizes that the brand's image is regarded as crucial, and the aim is to satisfy the consumer's needs and wants. When it comes to the case with Stella Artois, the question is if it always is a

good idea to listen to your customers. Taking a brand-oriented approach could help Stella Artois establish a brand identity that is not linked to negative stereotypes such as the term "wife beater". However, it is crucial to take into account consumers needs and preferences to ensure that the brand's image aligns with what customers want. Finding the right balance between a brand-oriented and market-oriented approach will be vital for Stella Artois' success in redefining its reputation and enhancing its brand image.



**Figure 4:** The market and brand-oriented framework

### *Corporate communication and reputation*

Corporate communication serves as a link between the various components of an organization and facilitates the growth and maintenance of its reputation, as indicated by Roper & Fill (2012). The authors refer to three main forms of communication clusters: management communications, marketing communications, and organizational communications. Additionally, they state that effective management of a company's reputation requires recognizing any disparities between the components and the associated communication from the company to ensure consistency among them.

Greyser & Urde (2016) argue that corporate identity and corporate reputation can be thought of as two sides of the same coin. Corporate identity is concerned with an organisation's internal operations, whereas corporate reputation reflects the external view, or how stakeholders perceive it. Roper & Fill (2012, p. 6). claims that the collective representation of a company's prior deeds and outcomes outlines their



capacity to generate desirable effects for various stakeholders. And this collective representation of prior events is especially what has build or, as some will argue damaged, Stella's reputation.

The interesting thing about Stella Artois is that, as we mentioned earlier, they have worked hard to position themselves as a premium brand. So how can it be that Stella has nevertheless allowed this reputation to be neglected? It can be argued that if Stella Artois had managed their communications better, they could have avoided a lot of reputational damage. In retrospect, it is very interesting to note that Stella could have seen enough triggers coming that could have aroused their attention and that they could have taken steps to address these issues before they became more serious. It started with the first association in 2000 with the term "wife beater", which was then followed by a decrease in sales since 2003 and an immediate switch from on-sale to off-sale, even before the judge made a remark that really tarnished their reputation. The initial catalyst that could have drawn Stella's attention started all the way back in 2000. This already demonstrates a difference between identity and image since the term wife-beater is completely contrary to how Stella wanted to position themselves from the beginning, namely as a premium bear.

### *Discussion Questions*

In order to create an engaging class discussion and ensure that students comprehend the learning objectives, the following question and supporting questions are suggested for the instructor to start the discussion.

#### *Main question:*

- How would you make sure to eliminate or reduce the reputation of the beer as a "wife beater"?

#### *Assisting question:*

- How would you ensure that Stella becomes a premium brand again and how can you reverse its declining sales (in the long term)?

### *Time Plan*

The time plan provides the instructor with a suggested time to be spent on each part of the presentation. The total estimated time of the case will be 45 minutes, including the presentation of an introduction to the Stella Artois case where the instructor engages the class and introduce the background of the brand which will be 5 min. The next step will be to present the incident and reasons why Stella Artois got the reputation of a "wife beater beer" which takes another 5 minutes, and this will help the class to get a deeper understanding of the situation. Thereafter, the case question will be presented. The focus will be on "The incident" in the presentation as we believe it is the core of the case and will provide a better discussion. The class case discussion, which includes exploring challenges, alternative strategies, and actions, will be allocated a total of 20 minutes. This will be followed by the class gathering their thoughts and coming up with a conclusion and recommendations for

the management. Afterward, the class will take time to gather their thoughts and formulate conclusions and recommendations for management which will stand for another 5 minutes. This is followed by the presenters presenting managerial decisions and drawing comparisons between the solutions and recommendations from the class and the actual managerial decisions. Lastly, the learning objectives and a short reflection on the outcome of the Stella Artois case will be discussed which will stand for about 10 minutes.

<b>Introduction and background to Stella Artois case</b>	a. Engage the students and introduce the background of the case (5 min)
<b>The incident and case situation ("Wife beater" reputation)</b>	a. Present the incident (5 min) b. Present the case question (2 min)
<b>Discussion (Challenges, Alternative Strategies, and Actions)</b>	a. Free class discussion and questions (5 min) b. Arrange it into Challenges, Alternative Strategies and Actions (10 min)
<b>Conclusion and recommendations from class</b>	a. Class gather their thoughts and comes up with a conclusion and recommendations (5 min)
<b>Presentation of the outcome</b>	a. Present managerial decisions (5 min) b. Comparison between class solutions and the managerial decisions (3 min) c. Learning objectives and concluding comments of the case (3 min)

**Figure 5:** Time plan

### *Board plan*

After presenting the case, one member of the presenting team should be taking notes on the blackboard while the two others should lead the discussion and structure it, as well as help with questions if they get stuck. Furthermore, it is beneficial to prepare a table on the board before the discussion with issues, alternative strategies, and actions. Another suggestion would be to divide it into short-term and long-term alternative strategies and actions. Furthermore we suggest to set up a vote at the end of the discussion, to gather a general idea of the most popular and important decisions & recommendations.

### *Reflection*

Writing a case was not something we had done before which made it challenging, but not less fun. Our goal was to write a case that was both interesting and relevant to the topics discussed in the class. Through this process of both

brainstorming and writing the case, we were able to gain a better understanding of the importance of brand strategy and reputation management in the business world.

The Stella Artois case was chosen because we were convinced that it is a unique story in itself. It is an interesting case because it has many different angles such as reputation management, crisis management, positioning, alignment and the importance of monitoring market and consumer trends. We found the Stella case interesting because they had gone from being a highly esteemed brand to having a poor reputation and were attempting to regain their original status as the top of the market. In comparison, most of the other cases that we looked at in class followed an entirely different approach when it came to rebranding. We thought it was impressive that Stella managed to reclaim their old premium beer identity without taking on an entirely new identity, they stayed true to its core, which is something you should not change, as we learned during this course.

In comparison to report writing, it was a bit difficult to write a case since it entails telling a more detailed story. Although some of the prior knowledge can be applied, everything has to be adapted for the readership of the fellow students. With report writing, one tends to gather all required information first and then just use it; however, with a case study, new data must be incorporated continuously which necessitates an open attitude and suppleness. Creating a goal picture and working towards it can be challenging, as more information is revealed over time. It is necessary to adjust and refine earlier efforts. As the writer, you are responsible for how the story is conveyed, not only what is included. However, this was something we appreciated during the process.

In addition, it was evident that writing a case necessitates the need to be aware of all the details, which meant delving further into the topic and making it even more intriguing. Investigating an organization's reputation required employing an alternative approach to obtain appropriate resources, such as exploring views from the public via blogs to gain a better understanding of their perception of Stella.

By changing our focus from being students to teachers, we had the opportunity to employ what we learned through the class in a stimulating way. Moreover, it was intriguing to find out that there were other ways of learning aside from reading and committing to memory. By examining practical examples, we could put the relevant theories into practice and draw conclusions. One particular difficulty throughout the whole case-writing process was remaining objective. We were careful not to give the board too much information, so we had to find a way to provide them with facts while still leaving room for them to use their own knowledge and come up with creative solutions. We are very satisfied with this course, the exceptional guest lectures and especially this master case assignment. Overall, it allowed us to strengthen our management skills, improve our presentation and writing skills, and gain a better understanding of how to approach complex issues and develop solutions. All of these skills will be invaluable as we enter the business world in the future.

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