

Pepsi's *Number Fever* – bottlecaps, mayhem and death

TEACHING NOTES

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Teaching Plan

The purpose of the teaching notes is to provide the case instructor with clear guidelines, structure, and pointers so that he or she can, in a more successful manner, prepare and execute the case – but more importantly, it is to facilitate the instructor's journey to reach the desired- and formulated learning objectives throughout discussion with students. Apart from a sense of organization through the textual description, the teaching plan also supplies the case instructor with concrete visualized models and tables which further facilitates the teaching of this specific case. A time plan and a board plan will also be presented to smoothen the presentation of the case.

The teaching plan is designed as follows: The case will be shortly recapped, followed by a brief section containing argumentation for the case's relevance within the field of brand management and reputation. Next, learning objectives will be presented along with an overview of key learnings. The following section will treat discussion questions; main questions accompanied by assisting questions. Moreover, the time- and board plan will be presented and the teaching notes will be finalized by a team reflection.

Case synopsis

This story begins exactly 30 years ago in The Philippines. Early in 1992, soft-drink corporation Pepsi was aiming to expand its market share in the country and challenge its long-time sworn nemesis Coca-cola who was the established market leader.

Pepsi launched a promotional campaign called “Number Fever” and the concept was that each bottle of Pepsi’s brands had a 3-digit number imprinted underneath the bottle caps. These numbers were set to various smaller prizes, as well as one grand prize of 40 000 USD for the number 349

However, when the time came to reveal the grand prize winners, Pepsi had made one fatal numerical error: Instead of having two lucky winners with the 349 bottle caps,

Pepsi now had around 600 000 Filipinos with 349-marked bottle caps, dancing wildly in the street all over the country, celebrating the end of their life in poverty and hardship.

Pepsi had an initial 2 million USD budget for the prize money, with the new circumstances the bill lands at 32 billion USD. How do you, as Pepsi's executive team, handle the situation now that you have escalated riots by an impatient and violent mob of thousands of Filipinos, demanding their prize money?

Relevance

The case of "Number Fever" fulfills relevance in several different regards. First of all, it is an interesting and relevant case from several managerial standpoints, including brand- and reputation management, issues management, as well as corporate and crisis communication. Secondly, the case raises further relevance due to its unexplored nature; The "Number Fever" disaster was a major incident by one of the biggest brands on the planet, involving hundreds of thousands of people, but it has grabbed relatively little media coverage as well as management-scholar attention, and the documented sources are somewhat scarce. Thirdly, one might argue that the case lacks direct relevance due to its 30th year anniversary, however, we would claim the direct opposite - presenting a case from 1992 means a context of no internet, cell phones, Twitter, or Instagram. Having contemporary brand management students approach a case in this context may result in different and surprising outcomes, which also would be interesting to compare if the incident would occur in 2023.

Keywords: Brand Identity, Brand Reputation, Corporate Communication, Crisis Communication

Learning Objectives

The sole purpose of having this discussion is to reach certain knowledge objectives that we deem are constructionally challenging as well as valuable in a brand and reputation management context. By exemplifying Pepsi's "Number Fever" as a management case, students will think, discuss, rationalize, nuance, and eventually absorb the knowledge that they can apply in managerial scenarios later in their careers or further in academia. The learning objectives will be based on established brand- and reputation management concepts as well as communication frameworks. In the learning objectives, each of these concepts will be briefly presented as well as individually applied to the "Number Fever" case. The frameworks and concepts are the following:

Corporate brand Identity and reputation

Throughout this case we will analyze Pepsi's managerial decisions as well as the implications these had from various perspectives – one of perspectives are brand and reputation management. In order to do this successfully, we first have to define the two concepts as well as clearing out how they are interlinked: *Corporate brand Identity* refers to the very core of the brand – a hub where everything the brand is, does, thinks, says, wants and behaves originates from. Brand identity, as with every other concept naturally has numerous definitions: Aaker (1996, p.68) defines brand identity as “a unique set of brand associations that the brand strategist aspires to create or maintain”. De Chernatony (2010, p.53) refers to brand identity as “the distinctive or central idea of a brand and how the brand communicates this idea to its stakeholders”. Urde (2021, p.1) argues that one might refer to the identity to a “point of departure and home basis” of one's corporate brand. Likewise, *Corporate Brand Reputation* also has multiple definitions: Urde (2021, p.2) calls it “the collective representation of personal judgements based on your past and present words and deeds and future prospects” – while other scholars like Gray & Balmer (1998, p. 695) describes it as what “...connotes the estimation of the company by its constituents – Is it held in high or low repute or somewhere in between?”. Similarly, Bromley (2000, p.241) defines corporate reputation

as “the way key external stakeholders groups or other interested parties actually conceptualize that organization”. But what about the linkage between corporate brand identity and corporate reputation? Urde (2021) states that a brand must firstly find their core identity by looking into themselves (referred to as “*soul searching*” by De Chernatorny, 2010, p.53) then using it as a means of communicating and positioning your corporate brand, which then eventually builds its reputation over time – if the brand is consistent and stays true to their values.

In order to describe and discuss the series of events in a more clear and consistent manner, we will visualize Pepsi’s brand identity and reputation in The Philippines before and after the “Number Fever” catastrophe by using Urde’s (2021) Corporate Brand Identity Matrix (referred to hereafter as CBIM) as well as the Corporate Reputation Matrix (referred to hereafter as CRM).

Corporate Brand Identity Matrix (CBIM)

Urde’s (2021) CBIM categorizes the brand identity in a 3 by 3 matrix containing 9 elements which are divided vertically through external, external/internal as well as internal (Figure 1). Central in the model is the brand core which constitutes the very essence of the brand, reflecting the “enduring values that underlie its promise” (Urde, 2021, p.6). The core affects every other of the eight elements and simultaneously they also affect the core; the content “echoes” (Urde, 2013, p.751) throughout the identity – meaning, if there for example are discrepancies with the brands relationships or culture, the core is in jeopardy.

EXTERNAL	<p>VALUE PROPOSITION <i>What are our key offerings and how do we want them to appeal to customers and non-customer stakeholders?</i></p>	<p>RELATIONSHIPS <i>What should be the nature of our relationships with key customers and non-customer stakeholders?</i></p>	<p>POSITION <i>What is our intended position in the market, and in the heart and minds of key customers and non-customer stakeholders?</i></p>
INTERNAL/ EXTERNAL	<p>EXPRESSION <i>What is distinctive about the way we communicate and express ourselves and makes it possible to recognize us at a distance?</i></p>	<p>BRAND CORE <i>What do we promise, and what are the core values that sum up the essence of what our brand stand for?</i></p>	<p>PERSONALITY <i>What combination of human characteristics or qualities forms our corporate character?</i></p>
INTERNAL	<p>MISSION AND VISION <i>What engages us (mission) and what is our direction and inspiration? (vision)</i></p>	<p>CULTURE <i>What are our attitudes and how do we work and behave?</i></p>	<p>COMPETENCES <i>What are we particular good at, and what makes us better than the competition?</i></p>

Figure 1 – The Corporate Brand Identity Matrix (Urde, 2021)

In 1992 Pepsi brand was doing very well internationally, their *Relationships* were characterized with words as: Honesty and Transparency as well as engaging. Their *Personality* could be described as Fun and Friendly. As for their *Expression*, Pepsi was distinctively Cool and progressive throughout their communication as well as regarded highly exciting. Looking at Pepsis *Culture*, the brand was known for their vibrant, young and dynamic approach. Regarding Pepsi’s brand core, one might’ve characterized it as “New wave”, an expressive underdog, progressive and trendy youngster (Figure 2). Note that, for this case CBIM model, value proposition, position, mission/vision as well as competences are excluded due to their lacking relevance in the case of Pepsi.

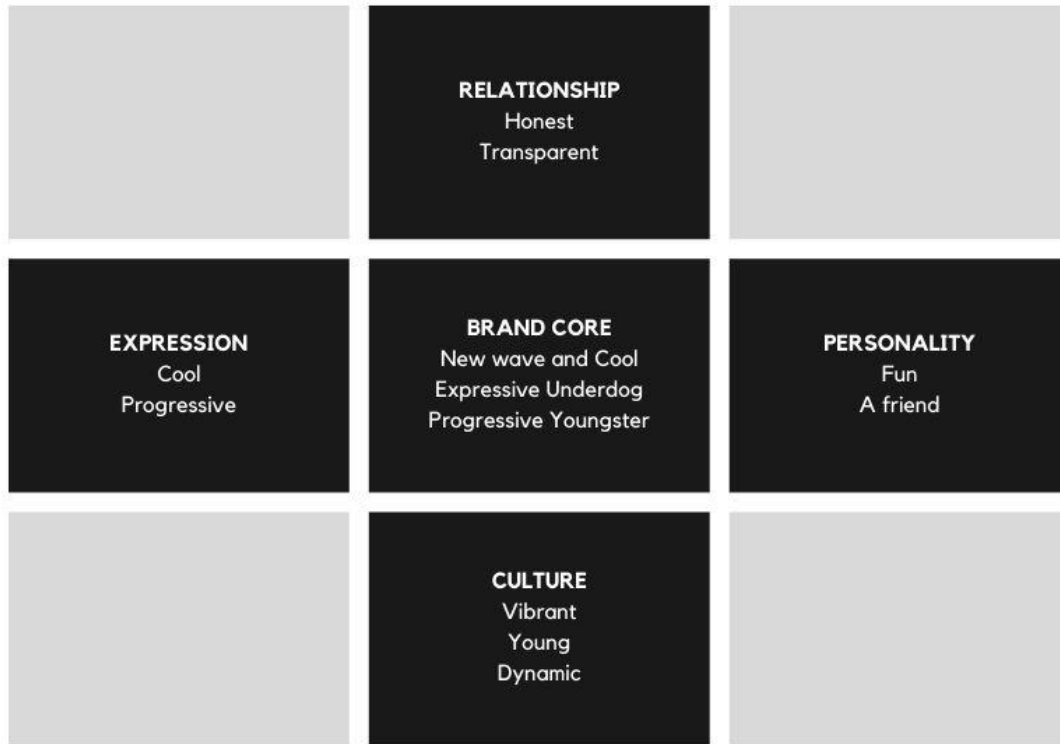


Figure 2 – Corporate brand Identity Matrix – Pepsi (Pre Number Fever)

However, when the Pepsi executives realized the numerical error and decided to attempt to change the winning numbers and manipulate the entire contest as well as eventually offer the “Number Fever” winners 18 USD instead of 40 000 USD – consumers felt like they had been lied to, since the executive's decisions directly oppose Pepsi’s brand core and absolutely everything they: are (personality), say (expression), behave like (culture) and deal with customers (relationships). With the brand core deeply compromised, Pepsi was in trouble now that there were major discrepancies horizontally throughout both Pepsi’s character as well as vertically through their interactions (Figure 3).

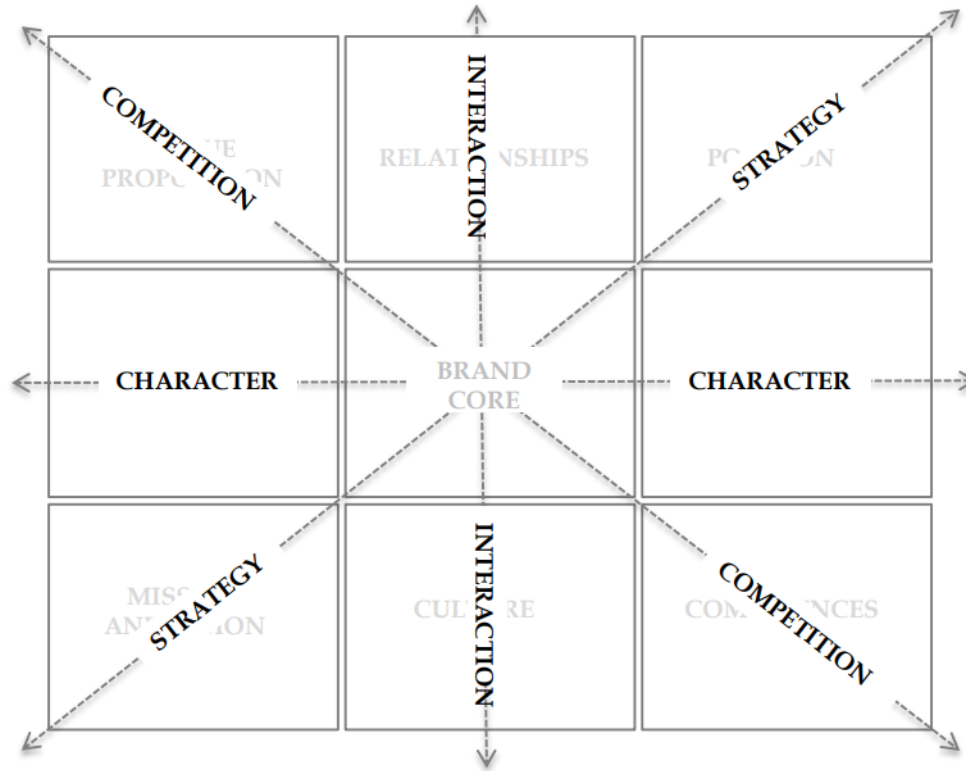


Figure 3 – The Corporate Brand Identity Matrix, directions (Urde, 2021)

Corporate Reputation Matrix (CRM)

Urde’s (2021) CRM treats the CBIM’s from a reputational perspective or layer; stemming from the corporate brand identity and extends outward in eight sections: Relevance, Trustworthiness, Differentiation, Credibility, Performance, Responsibility, Willingness-To-Support and recognizability (Figure 4).

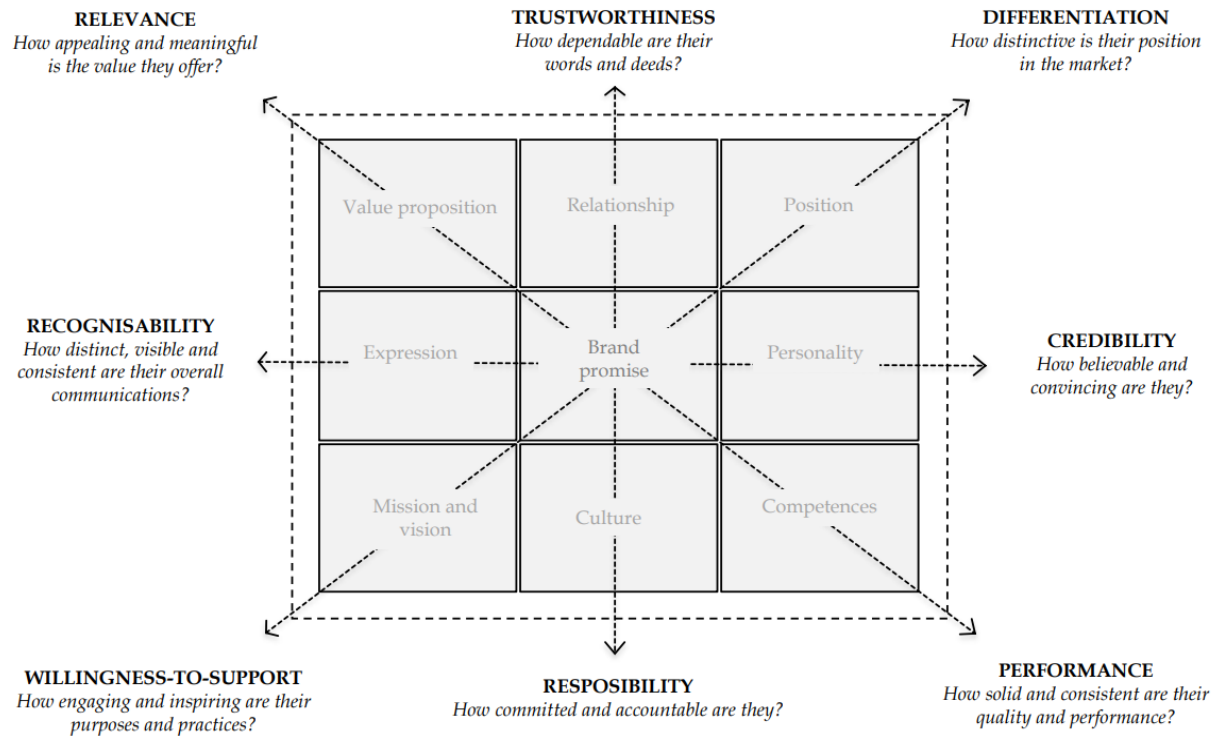


Figure 4 – The Corporate Reputational Matrix (Urde, 2021)

When applying the case of Pepsi to the CRM (Figure 5) we can see which sections were affected by glancing back at the CBIM – Relationships, Expression, Culture and Personality were negatively impacted due to Pepsi’s managerial decisions. These four are shown in the CRM through:

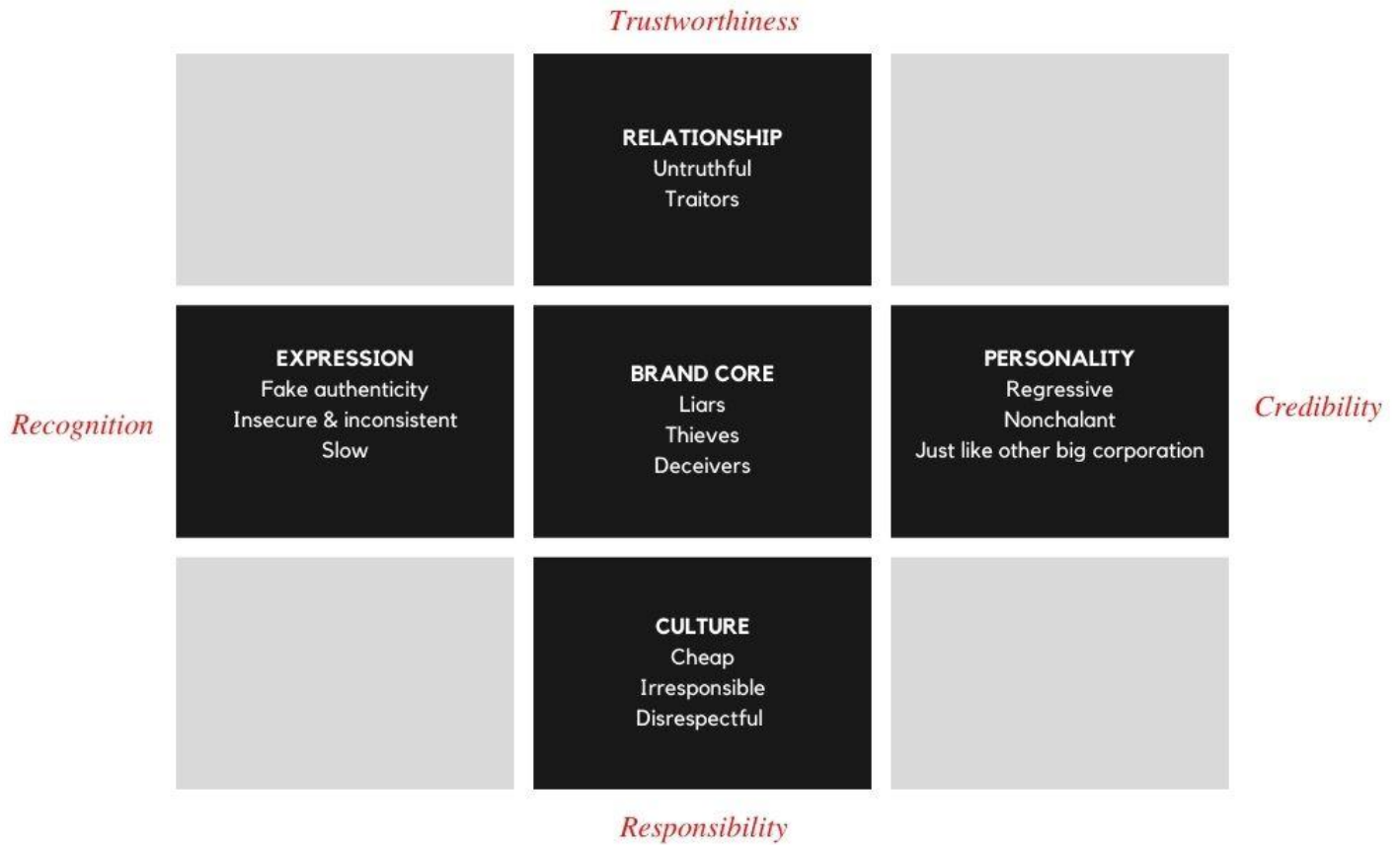


Figure 5 – Corporate brand Identity Matrix – Pepsi (Post Number Fever)

Trustworthiness

This section asks how dependable the brand’s words and deeds are? Regarding Pepsi’s trustworthiness, the brand went from being recognized as honest and transparent – to being regarded as untruthful traitors that tricked or even betrayed the Filipino consumers. Pepsi’s words and deeds in terms of relationships with their main audience (the consumers) directly affected their reputation negatively as untrustworthy.

Responsibility

This section is interested in how committed and accountable the brand is? When applied to the Pepsi case, the brand's corporate culture was before the disaster characterized as responsible and serious but vibrant. But after the managerial decisions

to manipulate the contest, etc., Pepsi was seen as cheap, irresponsible and disrespectful – negatively affecting their reputation as a result.

Recognizability

This section wants to know how distinct, visible and consistent the brand's overall communication is? Before the disaster, Pepsi's communication was described as cool, authentic and exciting. But during and after the fiasco, opinion turned and Pepsi's reputation from an expressive standpoint was recognized as insecure, inconsistent, slow and unauthentic.

Credibility

Last but not least we have credibility, this section asks how believable and convincing the brand is? Before the disaster, Pepsi had high credibility and was seen as fun, progressive and friendly and "real". However, after the decisions that shocked, disappointed and angered the consumers – the brand lost credibility and was regarded as fake, nonchalant and "just like every other big corporation".

Corporate Communication and Crisis Management

Corporate communication is a vital element in the formation of brand reputation. However, when an organization experiences a crisis, corporate communication becomes a critical aspect as it may significantly implicate the company's brand image and reputation. In addition, a company's reputation may be conflicted easily if stakeholders perceive that the company has not handled crisis situations properly. Therefore, effective corporate communication as part of the crisis management mitigates negative effects on customers and stakeholders (Roper and Fill, 2012). Hereby, the right response to an issue is one of the main objectives in crisis management. Cornelissen (2008) proposes certain strategies that organizations may use to navigate their positions to a crisis.

- **Silence strategy:** an organization may choose this approach if it is not clear how to communicate the issue to its stakeholders. Thus, it could be interpreted that an organization is simply buying some time until all the details surrounding the issue are fact-checked, which saves an organization from any additional drama.
- **Accommodation strategy:** if the scope of the issue is large enough, an organization might choose to just adapt to it via continuous internal and external corporate communication.
- **Reasoning strategy** involves having an open and clear discussion with stakeholders about the scope of the issue, which saves the organization from making irresponsible decisions and helps pivot a reasonable response.
- **Advocacy strategy:** if the issue is large enough to leave a strong mark on the performance of the organization, an approach of changing the overall opinion of the issue could be implemented. Thus, communication is concerned with shifting perceptions of the issue in a different way and applying it through corporate advertising and the usage of key opinion leaders and formers to form a moral narrative that an organization is seeking change.

In terms of Pepsi incident, the company followed the silence strategy both in the short- and long-term as they did not communicate with customers and other external stakeholders as well as denied the responsibility of the accident and put the blame of the technical error. Following years the organization also was not transparent about the crisis and till this day have no record of it on their website. In addition, Pepsi partially implemented the reasoning strategy by cooperating with the Philippines government in terms of lawsuits and general help on how to resolve the incident. However, they did not accommodate the angry customers and did not communicate with the victims of the campaign but just offered a compensation of 18 USD.

During the difficult times an organization might need to defend themselves in front of various stakeholder groups and customers. The right response strategy is incremental to the crisis management, although when the emotions of an incident are put aside, there comes another crucial step - restoration of stakeholders' perceptions. Benoit (1997)

elaborates that changing the image stakeholders have of the organization takes into account five approaches.

- **Simple denial:** rejecting the fact that the issue occurred or that it was a result of the organization, or putting the blame on others.
- **Evasion (of responsibility):** responding to the issue that happened, while facing internal reasons behind the issue and translating that it was not done deliberately and that there were good intentions behind it.
- **Reducing offensiveness:** pursuing a narrative that the issue was minor to minimize accusations.
- **Corrective action:** putting effort into resolving the issue and implementing actions so it does not occur again.
- **Mortification:** issuing a statement of apology regarding the issue.

Pepsi's reaction to the issue was clearly based on the simple denial approach as the company (as mentioned in the management decision paper) denied that the winning number was "349" in the beginning, then tried to change it to another number and act like nothing happened, while later pursuing the technical glitch narrative and trying to influence the Philippines government to settle the charges. Unfortunately, this approach only resulted in the stakeholders' perceptions of Pepsi as an untrustworthy and greedy corporation.

In the Pepsi "Number Fever" incident it is important to reflect on how the organization handled major issues with its stakeholders and, most importantly, customers. According to several newspaper publications, Pepsi was ignoring the issue, not responding to the victims and even going as far as asking The Philippines national court to dismiss criminal charges. Therefore, the stepping stone in this incident is the silence of Pepsi. Instead of issuing an apology to all those affected by the incident, the organization opted for a partial victim role, by blaming the technical error only and not taking any responsibility on behalf of the corporation. Some reports even state that "this is so far the most authentic portrait of how U.S. multinational giant firms treat poor

consumers in developing countries where social responsibility remains a dream” (Makarchuk, 2017, 51p.). Moreover, the fact that even after more than a year the senator of the Philippines publicly claimed that Pepsi should have apologized for the incident (see exhibit 4), proves reckless actions taken in this case. The “Number Fever” incident perpetuates a sad image of an organization incapable of admitting its mistakes, taking full responsibility for the chaos it caused in the whole country, and poor ability to state a genuine apology.

Overview of key learnings

The Pepsi brand was under immense pressure and on the verge of having its reputation completely ruined on a nationwide scale. The case objective is for the students to find the best short, medium and long term approaches Pepsi could have taken to minimize damages, evaluate their reputation situation and work on improving it. Understanding the economic situation in the Philippines in 1992 and the proportion that the incident took is mandatory to evaluate and determine what should be taken. Aligning this with theory, students will be able to understand positive and negative management practices, how to evaluate and assess reputation crisis, what crisis response and reputation restoration strategies to implement.

Using the following table as visual aid, we will be looking at the general learning we get from this case!

OBJECTIVES	GENERAL LEARNING	PEPSI
Remembering	Not to rush any decision and try to check facts and possibilities beforehand.	Pepsi when facing Chaos made bad decisions that 1 day later were revoked. This is awful in terms of credibility and definitely

		confuses the consumer.
Understanding	To never, under any circumstances deviate from the brand core – this might have devastating effects on the corporate reputation.	How important it is to be true and authentic to your words, values and stakeholder relationships – no matter what happens. The brand should be a hub that permeates every brand-related action.
Applying	Corporate brand identity- & reputation matrix in order to guide the brand and coordinate its core promise throughout channels.	Corporate brand identity- & reputation matrix in order to know what actions, words, deeds and attitudes that can jeopardize the brand core – and eventually the entire corporate brand
Analyzing	The most applicable crisis management strategies that would best resolve the issue.	Pepsi has failed to choose the right crisis response strategy while not taking the scope of the issue seriously.
Evaluating	Internal and external Corporate communication throughout crisis mode.	Pepsi was lost in terms of Internal and External Communications, and there was a need to spread information through stakeholders in the most transparent and accurate way possible.
Creating	A board plan that lets us	With a Board Plan Pepsi

	analyze and overview problems, possible solutions and opportunities	could better evaluate all of its options to find the most responsible and smart approach.
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Exhibit 1, Key Learnings Table

DISCUSSION QUESTIONS

For an engaging and relevant case discussion that is aligned with the set learning objectives, there are some core questions that the lecturer must ask the class.

The engaging questions are meant to encourage further investigation of the several approaches possible, while the main questions tend to be rather general. This will enable the class to apply their theoretical understanding while also broadening their knowledge. The in class discussion of a case can be a highly instructive practice. In order to maintain classroom conversation, the lecturer is urged to prepare follow-up inquiries and suggestions.

MAIN QUESTIONS

Take the role of the Pepsi Board

- Discuss what should be your actions to minimize the immediate chaos.
- What would be your decision to save Pepsi's reputation in the Philippines?

ASSISTING QUESTIONS

- What should Pepsi communicate to internal stakeholders regarding the immediate issue?
- What should Pepsi communicate to its external stakeholders (Consumers, Media, etc.) regarding the incident?

- What Short, Medium, Long term approaches should be introduced into Pepsi's reputation restoration?
- What implications would this scandal have if it happened today? Consequently, what image restoration and crisis response approaches would work?
- Which one of the four crisis response strategies do you find most suitable for this situation, and why?
- Which image restoration approaches should best be applied in the short term and long term?
- How can we protect the brand from the ripple effect (competition leveraging the mistake) ?
- How can we prevent other markets from getting affected by this mistake?

TEACHING SUGGESTIONS

be clear and easy to understand to inspire an open discussion. Additionally, the teacher should make sure students stay on course with relevant points and that they assume the position of the Pepsi Board. It is also crucial that the instructor The purpose of this section is to provide the instructor with suggestions on how to effectively present the case so that it can be entirely discussed and learned from. It includes advice on presentation tools, teaching tips, and discussion prompts. Additionally, the following visual time plan suggests timing and structure for the case presentation.

First and foremost, the lecturer should strive to utilize different resources like PowerPoint presentations and whiteboards during the discussion to highlight the key points of the case, since this helps the attendees to better understand it. A Powerpoint presentation might be extremely useful to better introduce the case and explain the incident. To effectively convey the gravity of the incident, it is also suggested that the presentation displays emotional and relevant images depicting the destruction caused by the riots that took place. For context, the lecturer might decide to additionally show a clip from the interview of the lawyer that represented a high number of Filipinos

against Pepsi (Title: “Vicente del Fierro, Jr with Gloria Macapagal Arroyo Discuss on Pepsi 349 Fiasco Part 1” On Youtube).

In class discussions, the teacher will act as a guide and mediator to entice deeper conversations and thought processes among students. The questions asked must conduct the approaches and strategies coming from the discussion into Short, Medium, and Long Term decisions. If the conversation completely stalls, the teacher might consider it as a last resource to mention that Pepsi faced legal actions, keeping in mind that this information was not included in the written case or presentation. Nevertheless, it might be useful to reference the number of Lawsuits and Criminal Complaints that were made as well as when the last one ended (2006). To make a final settlement on the management decisions for the company, a democratic vote will be taken through hand raising or physical ballots, and at the end of the decision, the real-life board choices should be presented and students must be asked to think together and decide on 13 takeaways from the case.

From a live solving of this case, we got the following 13 take-aways, which might help the lecturer to have an idea of what will be suggested:

1. Transparent Internal Communication
2. Leverage CSR
3. Move-on!
4. Know your priorities! (big perspective)
5. Careful Campaign Planning
6. Security, well being of people.
7. Plan for the worst
8. Relationship Management
9. Can we turn this into something Positive?
10. Math calculations, know the number!
11. Keep an eye in competitors
12. Know your audience
13. Evaluate legal action direction (don't drag out)

TIME PLAN

In this part, we will provide a schedule for the instructor to follow during the case presentation. The plan will help allocate the proper amount of time to each section, ensuring that all the relevant aspects of the case get covered within the assigned time.

The percentages concern the disposable time the lecturer has for the case, meaning if the instructor decides on 60 minutes for the case, Introduction shouldn't take more than 6 minutes.

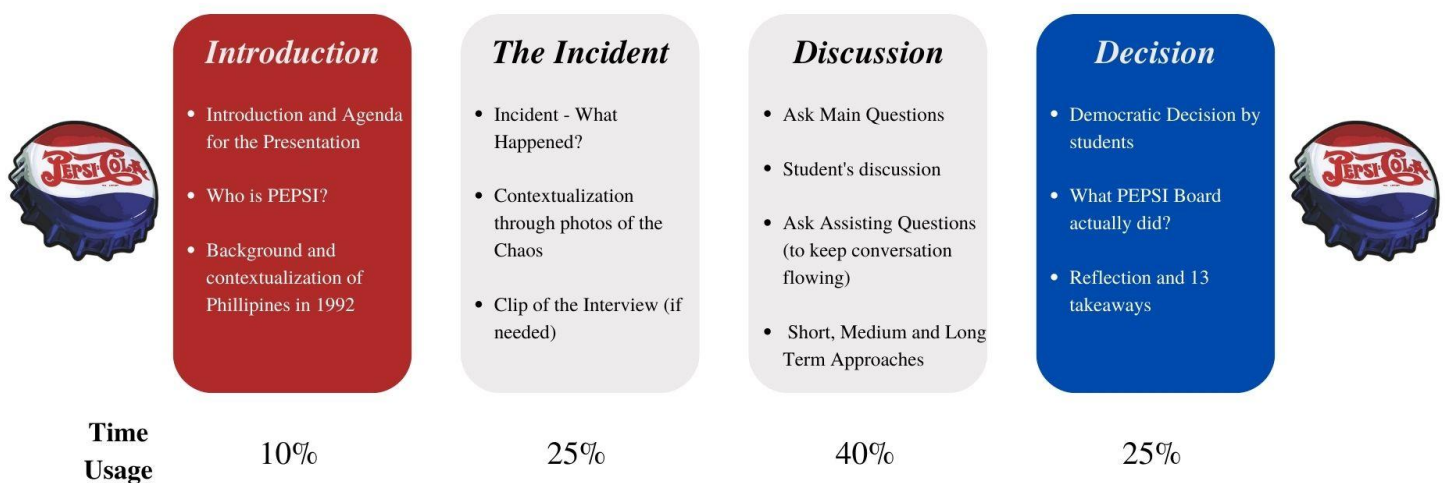


Exhibit 2, Case Time Plan

BOARD PLAN

It is crucial for the instructor to have an overview of the Problems, Actions, and Opportunities of the case to better conduct and guide students into a healthy and relevant discussion. The Board Plan is constructed to help with that overall visualization.

With the information given in the Written Case, the students might find five different imminent Problems such as Ongoing Riots, The Machine Glitch, Reputational Crisis, and Internal & External Miscommunication. To solve those

problems there are a set of actions that the students might suggest and the Board Plan helps the lecturer to be prepared for them. Besides Problems and Actions, it is also important to brainstorm Opportunities in order to encourage students to think of the best outcome out of a bad situation.

This Board Plan covers a big part of possible immediate solutions that students might give taking into account the information that they were given at the beginning of the case.

It's important to keep in mind that this Board Plan doesn't consider developments on Legal actions suffered by Pepsi, since that will just be introduced into the discussion by choice of the Instructor, preferably only if the class dialogue stalls or is on the verge of dying.

<i>Problems</i>	<i>Possible Actions</i>	<i>Opportunities</i>
Ongoing Riots	<ul style="list-style-type: none"> - Apologize publicly - Address the issue and being honest with the mass public - Cooperate with local authorities to ensure public safety 	
Machine Glitch	<ul style="list-style-type: none"> - Conduct internal investigation about specifics of the issue 	<ul style="list-style-type: none"> - Evaluate the Bottle Manufacturing Establishments and Equipments
Reputational Crisis	<ul style="list-style-type: none"> - Apologize publicly 	<ul style="list-style-type: none"> - Pepsi can show that

	<ul style="list-style-type: none"> - Support winning Customers - Demonstrate a commitment to ethical business practices and social responsibility - Implement a long-term strategy to regain trust and rebuild the company's reputation in the Philippines - Provide regular updates on the status of the company's efforts to address the issue 	<p>they learn from their mistakes</p> <ul style="list-style-type: none"> - Possibility to rebuild their identity around making things better
Internal Miscommunication	<ul style="list-style-type: none"> - Hold an internal meeting to inform all employees about the situation - Form a Crisis Management Committee - Communicate the future actions and expected progress to the internal stakeholders 	<ul style="list-style-type: none"> - Improve internal company culture and relations
External	<ul style="list-style-type: none"> - Address media about 	<ul style="list-style-type: none"> - Build credibility with

<p>Miscommunication</p>	<p>the situation with the known facts</p> <ul style="list-style-type: none"> - Collaborate with media by answering questions - Be open & transparent about what happened - Communicate the future actions and expected progress to the external stakeholders - Provide regular updates on the status of the company's efforts to address the issue 	<p>external stakeholders</p>
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Exhibit 3, BOARD PLAN

On the live Discussion of this case, the board decided to organize their actions into, Short Term, Medium Term and Long Term instead of Problems, Possible Actions and Opportunities.

That discussion resulted in the following Board Plan:

SHORT TERM A. (HOURS)	MEDIUM A. (MONTHS)	LONG TERM A. (YEARS)
<ul style="list-style-type: none"> - PUBLIC APOLOGY - ANNOUNCE "HOLD THE CAPS" STALLING - LEGAL CHECK - WORK WITH AUTHORITIES - LEVERAGE POWERFUL/ INFLUENTIAL CONNECTIONS - COOL-DOWN SITUATION - WHO ARE WE HELPING? HOW? 	<ul style="list-style-type: none"> - BUDGETING COMPENSATIONS - BUDGET FOR ^{CSR/}CHARITY FOUNDATION - SYMBOLIC COMPENSATION - LEGAL CHECK - PUBLIC APOLOGY CAMPAIGN (RE-DO CAMPAIGN W/ FREE TICKETS?) - LEVERAGE INFLUENTIAL CONNECTIONS - ATTENTION TO PHYSICAL AFFECTED FAMILIES - ANALYZE PHILIPPINES MARKET - WHO ARE WE HELPING? HOW? 	<ul style="list-style-type: none"> - RAISE ^{CSR} CAMPAIGN BUDGET - LOYALTY RELATIONSHIP PROGRAM - WATER AID - CHARITY FOUNDATION - CSR INITIATIVES FOR THE COMMUNITY - USE PHILIPPINES AS EXAMPLE

Exhibit 4, Board Plan from a real-life discussion of the case

REFLECTION

Throughout the whole process of writing this case - from the very beginning to the very end - it has challenged us as individuals greatly. When we first touched upon this incident we could not believe that such a disastrous marketing campaign had actually happened. One of the reasons being that it occurred in 1992 when we were not even born so naturally, we had no clue about it. However, what really attracted us the most to develop this crisis into a master case is the scope of the incident and the lack of

impactful managerial decisions by Pepsi. Consequently, it is indeed a high stake and high-drama case that provides more questions than answers.

The case preparation process was led by many brick walls. Due to the fact that this incident happened in the 90s in the Philippines, in a country that struggled economically and at times when people didn't have smartphones and social media platforms, it was significantly challenging to find out how the crisis truly unfolded. Therefore, we had to put our research and analytical skills to the test as we dug through old digitized newspapers, court documents, articles, and interviews with the Philippines government and so far as reaching out to fellow Filipinos that we knew. The more we dug deeper into the black hole of information, the more shocked we were.

Firstly, the success rate of the “Number Fever” campaign (before the incident) really amazed us and we could not comprehend any similar case to this. Secondly, we were completely shocked to discover that when the computer glitch occurred, Pepsi tried to change the winning number and completely ignore the situation, which only sparked the victim's anger even more. Third, it was tough to wrap our heads around the scope of the riots and that they lasted for more than a year. How wrong the campaign has to go and how weak was management so that the anger in Filipino's minds lasts for years? Last but not least, we were saddened by the lack of powerful managerial decisions and corporate communication by Pepsi in order to resolve this issue. Maybe the error could not have been preventable, however, the riots and deaths could have easily been avoidable if Pepsi, first of all, apologized to all the victims immediately and chose the right strategy for the crisis resolution.

Hereby, this case is a good example of the importance of handling crisis management and reputation, and what consequences could arise if these aspects are ignored. For students and teachers, the Pepsi case serves as an opportunity to examine the incident with a 360-degree perspective. It is not because it has so much drama in it, but there are a variety of managerial decisions that could have been implemented (yet did not) every

step of the way (short-and long-term). Therefore, a broad and expressive discussion, without a doubt, would appear.

Overall, the project of the master case has been highly rewarding. It was one of the best ways to apply corporate brand management theories to real business situations. In addition, during the process of crafting this project, we developed our writing and academic skills further than we ever expected. We have faced many challenges due to the complexity of the crisis, however, we learned to rely on and support each other as a great team should!

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Appendix

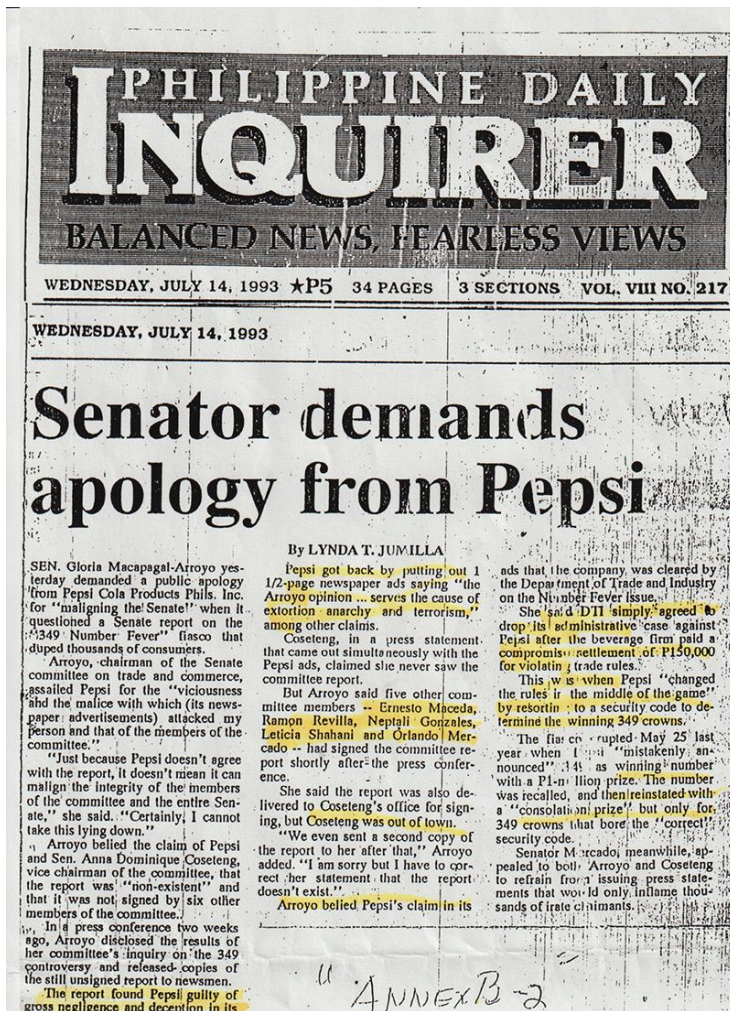


Exhibit 5, Newspaper of Senator demanding apology