

CORPORATE BRAND MANAGEMENT AND REPUTATION

MASTER CASES



From Stable to Table: The Case of Findus and the Horse Meat Scandal

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Corporate Brand Management and Reputation: Master's Cases

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/ eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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WRITTEN CASE

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From Stable to Table: The Case of Findus and the Horse Meat Scandal

17th of January, 2013:

You hurry down the corridor on the 4th floor of the concrete building. The Findus headquarters have never been this busy before. As you enter conference room number 15, now labeled “The War Room”, where the formed brand crisis group has urgently been summoned by Nordic Marketing Director Ulrika Wallberg. The conference room, typically filled with laughter, was now filled with tension. The CEO, Jari Latvanan, usually unflappable, fidgeted nervously with his pen, his brow furrowed in deep concentration with sweat dripping down his forehead wondering how to properly assess and approach the pending issue of discussion. The Communication Director Anna Broekman fidgets with the HDMI-cord as she loads the presentation which will reveal possibly the worst European meat scandal ever.

Background and History

Findus is a multinational food brand and best known for its wide range of frozen food products, including everything from ready meals, vegetables to meatballs and seafood. Findus is one of the largest players within the frozen food category in Sweden. They are mostly recognized for their convenience, quality, and innovation in the frozen food sector.

The Findus brand has its roots all the way back to 1903 when Karl-Axel Thulin founded the fruit-, wine-, and liqueur fabric in the south of Sweden -Bjuv. It wasn't until 1941 the name Findus came about when the well renowned Swedish chocolate confectionery company Marabou bought the organization. The vision was simple yet revolutionary: to provide families with convenient and nutritious meals that would save them time without compromising on taste or quality. Regardless if you cook for yourself, to friends or family, or as a professional cook for school children, restaurant visitors or elderly people -Findus ambition is to contribute with natural, healthy and sustainable food products.

By 1959 Findus frozen meals were now being sold in 11 countries and a part of their production is now established abroad. In the early 60s, more specifically in 1962, Findus was bought by Nestlé who then formed Findus International S.A where Marabou kept 20 percent of the shares. By 1965 Findus was now being considered as one of the most trustworthy food companies in the industry.

Findus is a company known for innovation and sustainability with freezing techniques that preserve the freshness of the food while minimizing food waste. Their commitment of responsible sourcing of the finest ingredients and investing in eco-conscious packaging made them acquire a reputation of reliability and excellence. As Sweden's love affair with nature grew, so too did Findus' commitment to sustainability, earning the trust and loyalty of the consumers. Families turned to Findus for comfort and reassurance, knowing that behind every meal was a legacy of quality and care. By bringing families and friends around the dinner table and reminding them of simple joys of good foods and good company the brands', at that time, blue and yellow packaging, became a household sight in people's homes. Especially across Sweden, symbolizing more than just a convenient meal, but also a trusted companion in the kitchen. By the 2000s Findus continued to grow and innovate, introducing new products and expanding into new emerging markets across Europe.

The Incident

On the 15th of January 2013, the British FSA (equivalent to the Swedish "Livsmedelsverket") officially stated that they found traces of horse-DNA in the burger meats from a supplier that distributes to many stores and restaurants in the Irish and British market. Rumors had been swirling around and whispers of a scandal threatening the foundation of Findus has forced the company to create a crisis management group as a proactive action of what potentially is yet to come. Allegations had surfaced suggesting that Comigels products, which Findus had been sourcing for years, might contain horse meat instead of the advertised beef that is written on their frozen food packages. Comigel is one of the major suppliers of frozen food products to multiple different companies across Europe which means a widespread scandal is imminent. In the case of Sweden, this means that not only Findus will be affected but also their main competitors in the category.

The implications were staggering as Findus pride themselves on integrity and their reputation of quality products, which has for a long time been the keystone of their reputation amongst consumers. Any suggestion that their products contained horse meat could spell disaster for the brand and its reputation.

The Question

Being a member of Findus crisis management team that sits on the information of FSA's findings, the questions arises:

- *How should Findus proceed with the information from FSA's findings and increasing rumors that products containing horse meat might spread to Findus own supply chain?*

