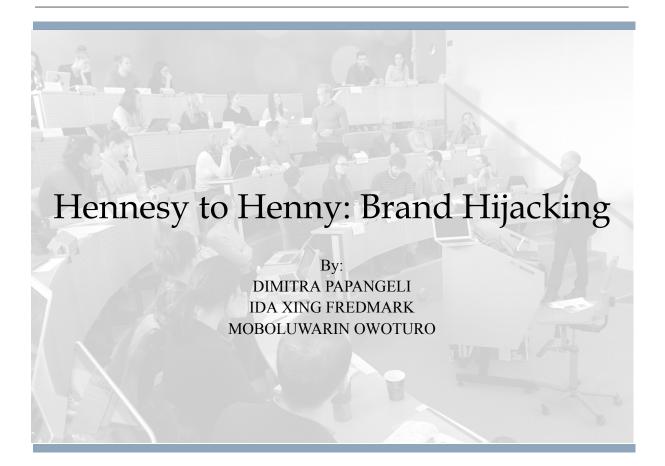
CORPORATE BRAND MANAGEMENT AND REPUTATION

MASTER CASES



Corporate Brand Management and Reputation: Master's Cases

2024

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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CASE NUMBER: 08-2024

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Hennesy to Henny: Brand Hijacking

WRITTEN CASE

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Hennessy to Henny: Brand Hijacking

It's 14th December 2004, and American Hip-Hop artist 2Pac has just released a song titled "Hennessey " where explicit lyrics alongside the brand name were used. The marketing directors of Hennessy, have just been called into a meeting on how to handle this ongoing trend of hip-hop artists referencing the brand name in songs. Although it's free publicity, there has been an increase in sales considering that 2Pac is one of the most influential artists with a large fan base. This is great awareness for their brand, and a new market to explore. On the other hand, there are concerns about the broader context of their name usage in 2pac's song and the Hip-hop industry. What does this mean for the brand's image of sophistication, its values and principles? There are mixed reactions on what next step should be taken, but the team must act fast. Should they cement this newfound relationship and audience, or should they separate themselves from it?

Background and History

Hennesy is an alcoholic beverage company that crafts cognacs in the Charente region in France. It was founded in 1765 by Irishman Richard Hennessy, an Irish officer at the service of the King of France. Initially, it was an eaux-de-vie (distilled spirits) trading business but it eventually became one of the most successful cognac exporters in the world. After the establishment of Hennessy, the company was dedicated to quality and innovation which would attract consumers all over the world, domestically as well as internationally in the early 19th century, from Britain to the United States.

This brand has been crafting some of the most sought-after cognacs in the world and the legacy lives on today, for more than 250 years. They offer premium cognacs as a unique and unforgettable rich taste experience with a marketing target towards the older and affluent demographic. Notably, Hennessy was one of the first spirit brands to invest in a minority audience and one of the first to feature an ad with African American models back in the 1950s. The company also was a leader in hiring African Americans in the ranks of leadership. Hennessy is proudly owned by LVMH (Louis Vuitton, Moet, Hennessy,), the world's leading luxury goods conglomerate. Acquired by LVMH in 1987 and became one of the main brands of the group's prestigious portfolio. This partnership has enabled the brand to retain its autonomy and heritage as a revered cognac house.

Through Hennessy's commitment that values inclusivity and diversity, it has gained a reputation as a brand that values representation and innovation. It embraces variety and creativity in its approaches to maintain its reputation and image as a top-tier cognac manufacturer.

The Incident

In the 1990s, as Hip-Hop culture gained widespread global recognition, propelled in part by the influence of platforms like MTV, Hennessy found itself increasingly referenced in Hip-Hop songs as a symbol of social status, success, and style. Major artists such as 2Pac and Notorious B.I.G. prominently featured mentions of Hennessy in their lyrics, elevating the brand to an aspirational status within rap culture (Byrne, 2023). This marked the beginning of Hennessy's gradual integration into the fabric of Hip-Hop, where its association with luxury and sophistication became intertwined with the imagery and narratives of urban life and success.

However, while Hennessy could potentially benefit from its newfound popularity within Hip-Hop culture, there are concerns about the potential hijack of the brand's image. This free promotion and association with rap music and party culture could dilute its traditional luxury image and lead to perceptions of the brand as overly commercialized or mainstream.

This tension highlights the delicate balance that Hennessy has to navigate between embracing its newfound appeal within Hip-Hop culture while preserving its reputation for exclusivity and refinement. The Hennessy team is now faced with a win-lose situation. There are major things to be considered such as;

- Risks to brand perception
- Competitive dynamics, the threat of competitors capitalizing on the incident instead of Hennessy
- Long-term brand equity versus short-term gains
- Alienating current stakeholders
- Jeopardizing the brand heritage

- Non-desired brand associations due to explicit imagery associated with the hip-hop culture
- Loss of a new market share if they choose to ignore this free endorsement

As a member and director of Hennessy's marketing team, sitting and analyzing this new incident, will you vote to fully embrace this new association, or will you completely remove yourself from being associated with the Hip-Hop culture such as taking legal action against your brand being referenced in lyrics you do not support, and how do you go about this?

Exhibits

Exhibit 1 (Hennessy's vintage advertising)





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Exhibit 2 (2Pac with a bottle of Hennessy)



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