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Hennesy to Henny: Brand Hijacking

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 following text is a teaching note that is designed to assist teachers, readers and presenters in the discussion of the Hennessy case. These notes offer suggestions for topics to consider during the case discussion and serve as a guide for understanding how the case will be presented. The teacher's note will contain information on how the background and fundamental theories are used for the case, suggestions to ideas for making the case engaging, and what will be included in the presentation. The teaching note contains learning objectives and a timeline for how the presentation will be conducted in a way that is relevant for teachers to guide the thought process in preparation for the case.

Case synopsis

Hennessy, a French producer of cognac has a carefully crafted brand image of prestige and luxury. The brand found itself in a dilemma when it noticed that there was a growing trend and influence of hip-hop artists referencing Hennessy in their songs. While this unexpected surge in exposure undoubtedly contributed to a surge in sales, the brand apprehended the potential repercussions of association with the hip-hop industry, where explicit content and actions could undermine its refined brand perception. The artists use Hennessy as a symbol of wealth, status, and lavishness. The Hennessy executives recognized the potential impact on their brand image and reputation and believed it was time to take action. This leads to the following case question:

How can Hennessy effectively navigate its association with hip-hop culture while preserving its brand identity and maximizing its impact in the market?

Learning Objectives

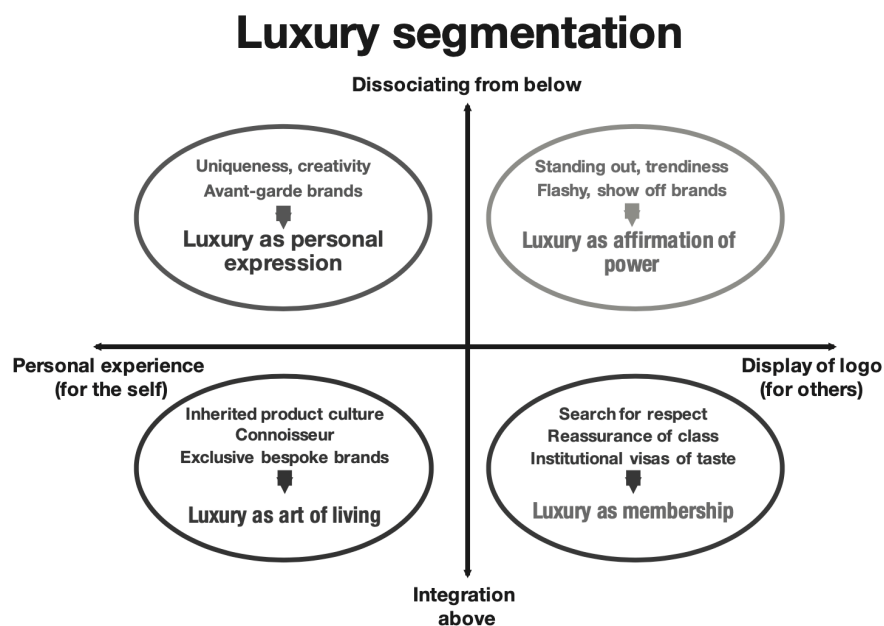
The case presents significant implications for Luxury segmentation, positioning strategies and Heritage Branding. As part of the learning objectives that the audience needs to achieve, the teacher and the presenters should present and lead the

discussion in connection to the underlying theories and models as one of their goals. The audience should be able to use these concepts in similar settings. The following text contains further information to describe the theoretical concepts that are relevant to the case and highlights the learning objectives that build upon the

Theory

Luxury segmentation

Figure 1 *Luxury Segmentation Model (Kapferer, 2009).*



To gain a deeper understanding of Hennessy’s segmentation in the luxury market, and its application to the case study, we propose the use of the luxury segmentation model, (see **Figure 1**. Kapferer’s (2009) model) which signifies that members of society make use of luxury brands to position themselves in a society where elites, old or recent and the new middle class, search for recognition.

Hennessy’s approach to luxury as the personal expression is reflected in its limited-edition releases, innovative blends and embrace of experimentation and creativity, Hennessy positions itself as a brand that offers consumers the opportunity to express themselves through their choice of cognac. In our case study, Hennessy might want to engage with hip-hop consumers to position itself as a brand that embraces creativity and individuality, resonating with consumers who seek unique and edgy experiences.

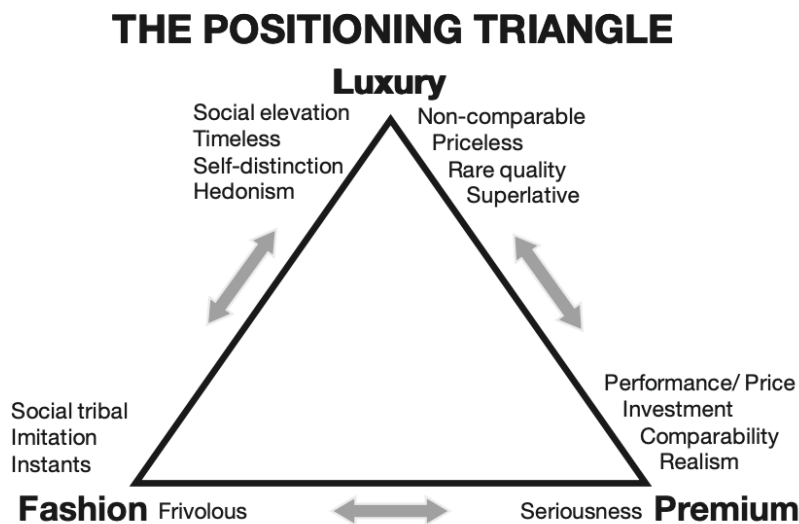
Luxury, as an act of living, is portrayed in Hennessy’s emphasis on heritage, craftsmanship, and connoisseurship, which appeals to discerning consumers who appreciate the finer things of life. Their longstanding tradition made in France presents quality and authenticity, positioning it as a brand for those consumers who cherish heritage. While some may question Hennessy’s association with Hip-Hop culture, others might view it as a culturally relevant extension of the brand’s legacy.

Furthermore, luxury brands like Hennessy, as a symbol of membership into a societal class, allow them to position themselves as aspirational and so individuals wish and aspire to live the lifestyle associated with the brand. This can be seen in our case study example, where hip-hop is status-driven and hip-hop listeners aspire to live a similar lifestyle to their favorite rappers.

Lastly, Hennessy’s global recognition, and iconic status, collaborations with influential figures resonate with consumers who perceive luxury as an affirmation of power. Similar to hip-hop artists, consumers seek luxury as a means of affirming their power and status by standing out and through flashy displays of brands. The model provides an additional context in better explaining our case study.

The positioning triangle

Figure 2 The positioning triangle (Kapferer, 2009).



It is important to understand the positioning of the Hennessy brand to plan the appropriate brand management strategies. Hennessy is a high-end brand however there are 3 different directions high-end brands can follow (see Figure 2). High-end brands can be on the luxury, fashion, or premium spectrum of the positioning triangle for high-end brands. The key element that distinguishes the 3 different positions is the business model (Kapferer, 2009).

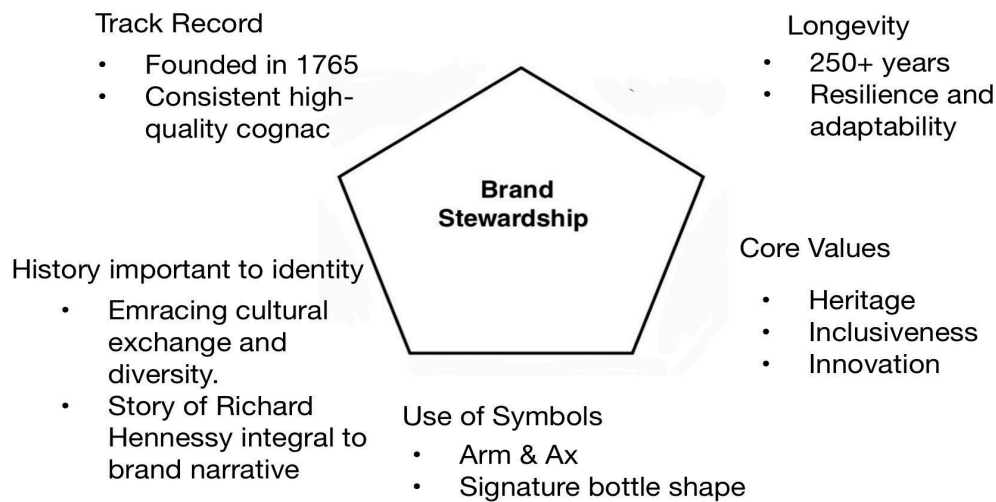
Luxury brands are created rather than being customer-oriented (Kapferer, 2012). They are exclusive as well as unattainable for the vast majority of consumers, much like Hennessy is. Luxury brands create the image they want whilst controlling their narrative to withstand in time rather than experience seasonal financial success. Hennessy has managed to withstand time by leveraging their high-end identity and superior-quality products. Luxury brands are created through a meticulous process of leveraging the charisma of the creators, networking, rituals, dramatization of the brand where the lines between reality and imagination blur, by worshipping the brand heritage and its history and finally through sumptuous communication that brings the brand essence to life (Kapferer, 2009). Hennessy has followed all these steps since its foundation to solidify the brand's place as timeless, offering a unique experience accompanied by the appropriate means of communication for a luxury brand (Kapferer, 2012).

Fashion brands on the other hand are focused on short-term benefits (Kapferer, 2012). Fashion brands fear being irrelevant, which leads them to focus on following trends to be in the minds of the consumers. Their business plan is based around high prices and time is the variable that shapes the strategies fashion brands follow. As a result, fashion brands use unconventional means of communication and marketing with the end goal being relevancy (Kapferer, 2009).

Lastly, premium brands differ from luxury brands because they are solely price-oriented (Kapferer, 2009). Premium brands wish to increase the prices based on the level of quality products they offer rather than creating a strong image that withstands time to leverage it as luxury brands do.

Brand Heritage - brand stewardship

Figure 3 *Brand stewardship (Urde et al., 2007).*



Considering that Hennessy puts a large emphasis on their long history and that their brand's identity is largely connected to its brand, it's relevant to use Urde, Greyser & Balmer (2007) theory about brand heritage. The authors consider a brand's history to be a dimension of its identity. It is essential to understand that heritage is the brand identity over time. The timeline of the brand identity that constitutes its heritage can be categorized as past, present and future. Hennessy has been a brand with consistency in the brand image since it was founded. The core of Hennessy's identity has remained the same, in the past it represented luxury, premium quality alcoholic beverages and exceptional flavor for the high upper classes and royals of Europe. Today Hennessy holds its identity but has adapted to the times. Hennessy does not provide premium products for the few but rather for everyone who wants to enjoy high-quality alcoholic beverages. Hennessy is constantly thinking of the future, whilst it is not certain what the future looks like, Hennessy's future is rather bright. It is evident from all their initiatives and collaborations with a plethora of brands they are open to adapting in times. For a brand to be considered a heritage brand, the brand draws its positioning and value proposition from its heritage. Any brand can have a history but to be able to leverage their history as a part of their identity much like Hennessy, is what makes it a heritage brand.

The elements of brand stewardship demonstrate how Hennessy can be considered a heritage brand (see Figure 3). Hennessy's track record and longevity are identified in how they have consistently delivered high-quality cognac to consumers worldwide since 1765. Their Longevity portrays enduring success but also their adaptation and innovation over time while staying true to their heritage. Their core value reflects the brand's commitment to its historical roots but also openness to ideas and inclusiveness to cultural influence through dedication to their unique blending process which reflects a commitment to quality craftsmanship. The brand

demonstrates a powerful reminder of the brand's history and its enduring legacy through the use of the shape of its symbols. They have a signature bottle shape, the name of the brand and a logo of an arm and an ax on its bottle along with the year it was founded. Their long history is a key element to their identity through showcasing Hennessy's narrative using the story of Richard Hennessy. Moreover, their engagement with local communities and supporting social causes shows a history of embracing cultural exchange and diversity.

Key Learning Objectives

The following table (Table 1), uses the Bloom's Taxonomy (Bloom, 1956) to summarize the main key objectives that the case audience should learn. The key learning objectives are in connection to the case.

Table 1 *Key learning objectives*

Key Learning Outcomes		
Remembering	...how the heritage of a brand can affect the relationship between old and new stakeholders and the brand image can be flexible even for luxury brands	Here: How the news outlets reacted to Hennessy being referred to in hip-hop songs with late 2Pac's song being the highlight of this symbiosis
Understanding	...how the relevant theories complement the case to highlight the evolution of the brand through the years	Here: the theories we choose
Applying	...the strategic corporate management decision to preserve the integrity of the brand reputation to balance tradition with innovation	Here: the theories we choose plus brand communication, brand evangelism, and stakeholder management theory

Evaluating	...the embrace of change or avoid it after a long track record of rich history and brand heritage to please the current stakeholders as well as potential future ones leading to the evaluation of positioning of the brand	Here: How Hennessy reacted to the 2Pac song and association of their brand with the hip-hop culture
Creating	...repositioning and segmenting according to the brand heritage and the various stakeholders	Here: Final decision-making based on the based on the brand heritage and the stakeholders

Discussion questions

Introduction:

In recent years, Hennessy, a renowned luxury cognac brand, has found itself increasingly entwined with hip-hop culture, as evidenced by its prominent mentions in hip-hop songs, collaborations with artists, and cultural initiatives. While this association presents opportunities for Hennessy to connect with new audiences and tap into the cultural zeitgeist, it also poses challenges in maintaining brand authenticity and relevance. This case study explores how Hennessy can navigate its relationship with hip-hop culture while safeguarding its brand identity, preserving its heritage, and maximizing its impact in the market. By examining consumer perceptions, cultural dynamics, and strategic considerations, the case will seek to identify actionable insights and recommendations for Hennessy to navigate this complex landscape effectively.

Main question

How can Hennessy effectively navigate its association with hip-hop culture while preserving its brand identity and maximizing its impact in the market?

Assisting questions

- What sort of research would you conduct before making a decision?
- What are the potential opportunities and challenges for Hennessy arising from its association with hip-hop culture?
- What considerations should Hennessy take into account when evaluating the potential impact of hip-hop associations on its long-term brand equity and market positioning?
- In what ways can Hennessy leverage its presence in hip-hop to strengthen its brand equity and market position?
- How might Hennessy effectively engage with both traditional consumers and hip-hop enthusiasts to maintain brand authenticity and resonance?
- What strategies could Hennessy explore to mitigate any negative impacts on its brand reputation while capitalizing on the positive aspects of its association with hip-hop?
- How can Hennessy ensure that its marketing efforts within the hip-hop community align with its broader brand values and messaging?

Teaching suggestions

This section gives suggestions for teachers and the presenter on preparing for the case presentation. The aim is to have a better understanding of the case, leading to an interesting discussion and key learnings from the case.

Pre-presentation phase

The teacher should provide the class with preparation material ahead of the day. In this case, the preparation material includes a written case containing the background of the incident. The preparation material should be provided at least 24 hours before the case day. The materials should be distributed at the start of the case presentation to ensure the class has all the necessary information to analyze the case.

The case can be presented by several teachers or presenters, in this case, it can be organized based on different parts ahead of the presentation. Furthermore, the

teacher should read the case in detail and have a good understanding of the case to better present it. The teacher should read the management decision, allowing them to sway the discussion in the direction of solving the case and also give suggestions. After reading the teaching notes, the teacher or presenter should make a detailed plan to structure the presentation, allowing for discussions and interactions. The plan should include how to structure the case, the information to include and in what order, as well as a detailed time plan for the different discussions of the case.

To enable better understanding, it is advised that the teacher prepare a visual presentation that includes graphics, videos and pictures as well as a few similar example case studies that will help the class to better understand the case issues. The teacher should also make use of a guide to structure the class's recommendations, such as making notes of them on a whiteboard.

Introduction phase

When introducing the case, it is best to engage the audience and get their attention immediately. You can do this by asking with a show of hands, how many people have ever tried Hennessy. This is a good way for the audience to engage with the case and break the tension. After this, the teacher can also ask what comes to mind when they think of Hennessy. This allows the teacher to have a good understanding of whether the audience is aware of the brand and to what extent. After these questions, the teacher can then go on to introduce the case.

Discussion phase

For the discussion phase, the teacher will let the audience know that they will now take on roles as the marketing agencies pitching to the board members of Hennessy. As the audience listens to the case, they can be aware of what to take note of to solve this case and present it to the board. The teacher can ask questions before the discussion to ensure that the audience has a good understanding of the case background and question.

The teacher will control and guide the discussion to ensure that the case questions are being addressed. The teacher should avoid giving their opinion on discussions or solutions and should only guide the discussion, by asking clarifying questions or input from other students. The teacher at this point can make us assist with the assisting questions.

During the discussion, the teacher will make use of the whiteboard to make note of suggested solutions by the audience. This will allow the class to keep track of what has already been suggested. At the end, the teacher will then group the solutions into main ideas, allowing for three to four main solutions or ideas. The teacher should ensure that everyone agrees on the three main solutions or ideas and every input is taken into consideration. If possible, the audience can vote on which solution they believe works best.

Conclusion phase

Once the discussion phase is over, the teacher will end the discussion and move on to concluding the case. In this phase, the teacher will present the management decision of the case. The teacher will compare the class discussion with the management decision while looking at the differences and similarities of the presented case.

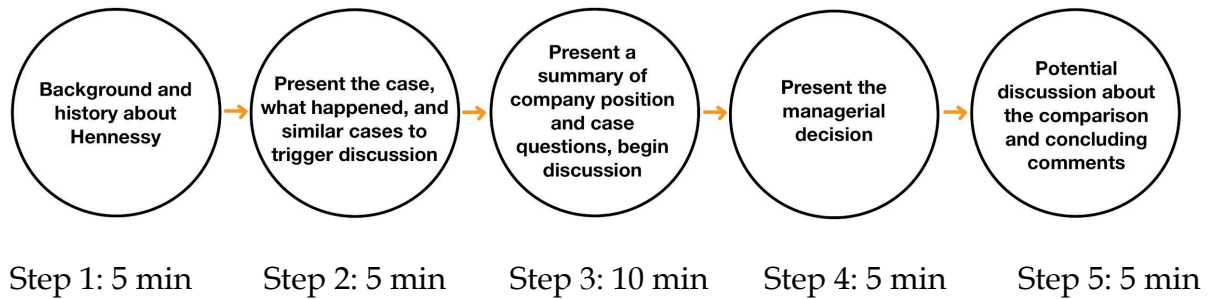
Once the management decision is presented, the teacher will allow the audience to discuss what they think of the management decision and emphasize the learnings from the case study. The teacher can do this by summarizing the key learnings and discussions made by the audience. The teacher will then end the presentation and thank the audience.

Time plan

The plan of how to structure the presentation is as follows, it's a suggestion on how the time will be divided between each part of the presentation. The first 1-2 minutes will be used to loosen up the audience by having some small talk and discussing how well the audience is familiar with the corporate brand Hennessy, then the background and history of the company will be introduced for about 5 minutes. The second part will continue for 5 minutes by introducing the case and what happened that contributed to the issue, in addition, other cases that have experienced similarities to the case incident will be introduced and added to the discussion. This should ignite the discussion for the class. Any questions about the case can be clarified in this part, which will last around 10 minutes in total for discussion and questions. After the discussion the presenters will introduce the management decision and will be compared to the discussion and conclusion that the class came to, this will be around 5 minutes. For the last part of the time plan, 5 minutes will be used for a possible discussion with the classroom about the managerial decision

made by the company and for the teacher to conclude the case with a few words about the discussion and/or the managerial choice to wrap up the case.

Figure 4 *Time plan*



Board plan

The presentation needs to contain key learning points that are relevant to the course which should be clear to the presenter before conducting the discussion. The following board plan is the structure of the key learning objectives that will be included and taken into account that should be achieved by the audience from the case. The board plan is an important element that contributes as a guide for the presenter and audience to keep track of the topics and ideas during the discussion. The following (TABLE 2) shows how this board plan will be laid out. At the end of the case discussion, the audience should be able to give a recommended decision for the case.

Table 2 *Board plan*

Key tasks and challenges	Suggestion	Actions
Assessing the impact of Hennessy's association with hip-hop culture on their brand image (heritage), business model and perception (exclusivity).	<ul style="list-style-type: none"> Embrace hip-hop association Maintain a balanced approach. 	<ul style="list-style-type: none"> Conduct marketing research to find attitudes and sentiments towards Hennessy's hip-hop

		<p>associations.</p> <ul style="list-style-type: none"> • Check with current customers, and how they perceive the association • Target niche segments within the hip-hop community
<p>The long-term impact of getting the “wrong” customer base. Like other companies - Gucci with criminals' exposure to popular culture can increase visibility but appeal to a certain demographic. Association with hip-hop culture that would be associated with certain negative behaviors</p>	<ul style="list-style-type: none"> • Take measurements to mitigate the risk of being associated with the “wrong” customer base. Disassociation strategy, to distance themselves from hip-hop culture • Embrace an image of a diverse customer base 	<ul style="list-style-type: none"> • Implement stricter brand guidelines, enhance their message on responsible consumption • Take legal action • Adapt - relaxed guidelines. • Use intense marketing campaign efforts to reinforce brand image
<p>Using free publicity without endangering the brand image of Hennessy so that brand image is reflected to the stakeholders and the brand heritage is intact</p>	<ul style="list-style-type: none"> • Focus on reinforcing their brand heritage to honor the brand history • Focus on reinforcing their brand heritage while balancing to stay relevant to contemporary consumers' preferences. 	<ul style="list-style-type: none"> • Clear brand guidelines for potential partnerships, marketing executives have a clear path. • Target brand communication strategies focused on the current stakeholders

The board plan consists of three aspects: the key tasks and challenges, alternatives to take to them and the actions to achieve them. During the presentation, the board can be filled in. The first step is to write the key tasks and challenges, the audience will then give alternatives and actions on how to solve these challenges. This will be followed by actionable steps that can be carried out in solving these alternatives. The audience can now have a clear overview of the case, allowing them to have a visual

roadmap of the discussion. By taking all the ideas and recommendations into consideration, the audience can now agree on how the case should be solved.

Reflection

Writing the case has been informative in learning more about brand perception and luxury brands. During the first supervision with Professor Mats Urde, where we discussed three different cases by each member of the group. The professor gave us important insights on what direction to take with the case. We decided to do further research on similar cases before finally agreeing and settling on the case we found interesting, the Hennessy and Hip-Hop case study. Further research commenced on how we could potentially structure the case. The challenging part came in framing the case study in a balanced and objective manner while addressing sensitive issues such as cultural and political complexities. We wanted to ensure that the case study accurately reflects the nuances of Hennessy's relationship with the hip-hop community without misrepresentation. As a group, we wanted to ensure that the case study prompts critical thinking and discussion among students, regardless of their prior knowledge or familiarity with the subject matter. We designed discussion questions and learning objectives that resonated with students' interests and experiences while challenging them to think critically about brand management and appealing to different audiences while maintaining their image.

During the process of putting together our case study, we had to remember the focus of our case, which was to show how Hennessy had challenges in how they wanted to engage with hip-hop audiences while making it clear that Hennessy was not reluctant to engage with multicultural audiences. We recognised that the students solving the case would come from different backgrounds and therefore have different perspectives on how the case should be solved so we wanted this to be an important consideration.

Furthermore, we also had difficulty in gathering accurate data on the timelines of Hennessy's mention in Hip-Hop songs. Finding information on Hennessy's involvement in hip-hop culture, including its collaborations, marketing initiatives, and consumer perceptions, before the 2010s proved challenging. As the professor had suggested we present other case examples alongside the main case, to draw on the importance of preserving brand heritage from brand hijacking, we decided to present the case of Gucci (Swedish gang associations) and Stella Artois (Domestic violence associations) as prime examples.

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