CASE NUMBER: 08-2024

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Hennesy to Henny: Brand Hijacking

MANAGEMENT DECISIONS

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.

14th of December 2004

It was a cloudy day in New York City, where the vibrant street never seemed to cease. The managers of the Hennessy brand gathered for an important meeting to discuss the recent surge of Hip-Hop artists mentioning Hennessy in their songs. This trend became notably popular when 2Pac's song was released in 2004, where he made numerous references to the brand name. It now became obvious that the top executives had to take action, they could no longer ignore the influence of the Hip-Hop artists on their brand image and perception. As a luxurious brand with high prestige and a focus on maintaining its position in the market, this could potentially change the image of the brand and, if not controlled, could go out of hand...

After much discussion and disagreements between the managers, it was decided that a brief would be sent to the best experts and marketing agencies in the USA. The marketing agencies would then create a pitch on what action should be taken, where and how. The meeting came to an end and invitations were sent out.

2nd of January 2005

Representatives from each marketing agency sat with Hennessy's internal marketing team and a brief was given where the case was presented. The agencies had to present a solution in just five working days and the marketing agency that would give the best solution would get the chance to retain Hennessy as a client and work with the internal team on the implementation of this solution.

In the brief, the Hennessy team gave the following instructions and considerations:

- A solution that fits their objectives of customer acquisition, building awareness, and maintaining their heritage and reputation
- A solution that would drive engagement and increase sales of the brand
- Extensive market insights and research on the target audience to back the solutions
- Mechanics of the solution and detailed campaign examples with creatives
- Potential partnership opportunities with key cultural influencers
- The current positioning of the brand in different target markets

What they know of the current situation regarding this incident:

- Raised awareness of the brand background
- A new customer segment opened up

7th January 2005

First thing on Monday morning, the marketing agencies were present at the Hennessy New York headquarters. The best team members of the best marketing agencies in the USA would now give a pitch to the directors and marketing managers of Hennessy's global team. After a long day of pitching and discussions, 3 main solutions were presented by the teams.

- Produce a brand rap song to use in an ad campaign, glorifying the consumption of Hennessy and using branded limited merchandise to gain attention as well as using fan covers to make the consumer feel more included.
- A disassociation strategy distances itself from the hip-hop culture that would associate the brand with certain negative behaviors. Push more advertisements and focus on other demographics and market segments where the brand can maintain or improve its reputation.
- Engaging in a collaboration strategy, involving themselves and collaborating
 with the hip-hop community but in a more controlled and strategic manner.
 The suggestion is to include partnering with specific hip-hop artists that align
 more with the brand's values and image and tailor their campaign that
 emphasize positive messaging to shape the brand's narrative within the
 community.

13th of January 2005

The board had a long discussion regarding the three proposed solutions and decided that the importance lies in the need to align their action with a focus on their core values and what their brand identity stands for. They realized that disassociation might seem like a quick fix to protect their brand's reputation, which could alienate and limit themselves to potential consumer bases. The idea of producing their brand

songs sounds tempting but it carries a high risk of coming across as inauthentic and mocking the hip-hop culture.

After careful consideration, they saw the potential in the collaboration strategy as a high fit for their goal. It is also an opportunity they can use to engage with a new consumer base in a controlled and strategic manner by leveraging the shared values between the hip-hop artists and the corporate brand. In addition, they can strengthen their brand's connection with their audience considering that these hip-hop artists have a large influence and followers.

10th February 2005

After choosing the collaboration strategy, the brand reached out to the hip-hop artist Rakim. Rakim was considered a highly respected and influential artist in the hip-hop community and represented authenticity and perseverance. The artist accepted the offer and was featured in a Hennessy advertisement.

Killer Rice Bowl committed on a blog regarding Rakim's collaboration with Hennessy:

"I am disappointed by seeing Rakim in this picture, but not surprised. Hip-hop is more and more being used commercially, and pushing the wrong type of merchandise. This will have a negative effect on hip-hop, giving arsenal for people like Bill O'reilly to confuse hip-hop culture with what these rappers nowadays are rapping about. This will not change until more people raise up and realize we have a crisis on our hands. WE NEED A REVOLUTION!"

3rd of June 2005

After collaborating with different hip-hop artists, the company wanted to expand and make their presence known within the urban culture. They recognize that the NBA had a significant influence. In collaborating with the NBA, Hennessy became the official spirit of the NBA. As a result of this course of action, the brand reinforced its connection with the urban demographic and also increased its revenue and popularity, leveraging the same resonance that drew them to hip-hop collaborations.

 (Concerned about their brand image and perception but got increased revenue and became incredibly popular because of it being used in the rap songs.)

 $Comments\ from\ Leafs Over Everyone\ on\ the\ collaboration\ with\ NBA\ on\ reddit:$

"NBA players smoking week? Devilish.

NBA promoting poison to a family-friendly audience? Angelic.

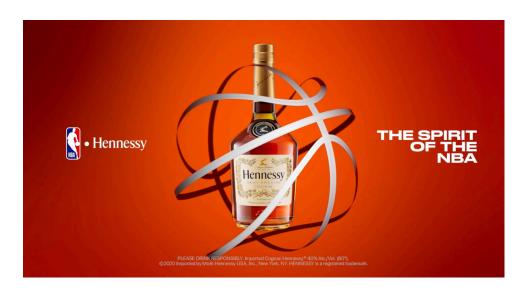
Great stuff, all for bottom shelf alcohol lmao."

And now in 2023: The association between Hennessy and hip-hop became a testament to the shared values of the brand and the genre- authenticity, perseverance and celebration of culture

Exhibits

Exhibits 1 (Hennessy x NBA)









LeafsOverEveryone • 4y ago

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peace Killer Rice Bowl

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