

Cold War In The Ice Cream Industry

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 teaching note is designed to assist educators or presenters using the Unilever case in their classroom. These notes serve as a preparatory guide for the instructor, offering recommendations on structuring discussions around the case. The teaching note provides guidance on introducing the case, suggestions for discussion points, and strategies for making the case analysis engaging and thought-provoking. Additionally, it outlines learning objectives aimed at helping instructors convey the main perspectives of the case to students. Finally, the teaching note includes a board plan, illustrating an approach to tackling the case and highlighting key takeaways to consider during case preparation.

Case synopsis

The Dutch company, Unilever have been present in Indonesia since 1933, back when it was still a Dutch colony. It entered the Indonesian market with their Wall's ice-cream brand in 1992 and soon became the market leader. After enjoying their position relatively undisturbed for years, they were suddenly challenged by two new Chinese entrants. Aice entered Indonesia in 2015, followed by Yili-owned Joyday in 2018. These brands gained market share quickly due to the incredibly low price of their products and their effective retailer management strategies. While Wall's products cost around 5,000 IDR or 3.31 SEK, the competitors offer single-serve ice-creams from 1.33 SEK. Aice and Joyday also cooperated directly with retailers, providing them with coolers and clear-cut incentives for selling their products. The Wall's brand's financial performance is steadily decreasing, pressure from Unilever's mostly foreign shareholders is rising, and it is time for Unilever's management to plan to regain market share and satisfy shareholders. They, *we* decide to launch a fighter brand - Seru. Now we are in the boardroom, and it is time to vote on the first item on the agenda.

Learning objectives

The case offers broad implications regarding corporate credibility and identity, understanding the cultural aspects in business situations, managing brand portfolios and fighter brands. Presenting a case study and facilitating the debate and evaluation such that the audience comprehends the connections to underlying theories and models should be one of the teacher's main goals. Above all, it should be possible for the audience to use these ideas in similar circumstances. The teaching note is structured in the following way: the following section explains the theoretical ideas pertinent to the case and highlights the learning objectives that build upon them. The second section provides an overview of the key learning objectives, the third presents the main question of the case and provides additional questions for assisting students' discussion. The fourth section guides the instructor through preparing for and delivering the case presentation. The last section contains the authors' reflection.

Elements of corporate credibility

When a company makes a decision, the decision sends a message about what the company stands for. The credibility of the messages is dependent on the credibility of its sender. In this case, when Unilever decided to introduce the brand Seru! By Wall's, they picked a direction. They sent a clear message to their competitors and other stakeholders. With it, they showed that they are an active player in the Indonesian ice cream market. According to Kelman (1961) the source from where the message comes from has 3 characteristics: expertise, trustworthiness and likeableness (Roper & Fill, 2012). These are the three levels of corporate credibility.

Element of corporate credibility	Explanation
Expertise	The degree to which a corporate brand is perceived to possess relevant knowledge and skills.
Trustworthiness	The degree to which a corporate brand is perceived to be an honest source of products.
Likeableness	The degree to which a corporate brand is valued by stakeholders in terms of sympathetic behaviour, perseverance and smartness.

Table 1: Elements of corporate credibility

Based on the **Table 1**, we can draw important conclusions about what message Unilever sends by introducing a fighter brand as Seru! By Wall's.

Firstly, focusing on Expertise, we could ask ourselves how Unilever is perceived in terms of knowledge and skills in the ice cream market. As an almost century-old company, Unilever has been present in Indonesia for a while. Over the decades, Unilever has undoubtedly accumulated vast experience in various aspects of consumer goods manufacturing, marketing, distribution, and brand management. Its longstanding presence in Indonesia indicates a deep understanding of the local market dynamics, consumer preferences, and regulatory environment. Through continuous operation and adaptation to changing landscapes, Unilever has likely developed a reputation for proficiency and competence in its field. Therefore, we can assume that Unilever is perceived quite high in the Expertise aspect.

Secondly, if we focus on Trustworthiness, the question is whether Unilever is perceived to be an honest source of products. One can assume that if a company has maintained a market leader position in a category for decades as Unilever has, there has to be a considerable level of trust from the consumers. By launching their new product line as Seru! By Wall's Unilever uses their established umbrella brand as a 'quality assurance' and communicates that their customers can rely on their new products.

Thirdly, the Likeableness aspect focuses on how Unilever is valued by stakeholders in terms of sympathetic behaviour, perseverance and smartness. In general, Unilever is a respected and well-known brand, especially in the ice cream category. Throughout the years they have managed to maintain a good reputation for their products as well as for their brand. By making an effort to offer jobs in the Indonesian market, they have shown sympathetic behaviour, by introducing Seru, their fighter brand they have managed to show perseverance during challenging times.

Reputational audit

“The purpose of a reputational audit is to assess where a company is in terms of its corporate reputation.” (Roper & Fill, 2012, adapted from van Fombrum (1996))

To understand Unilever’s reputation, we must first understand how a reputational audit works. By understanding Unilever's reputation, we can draw conclusion on how the Indonesian ice cream market accepts them.

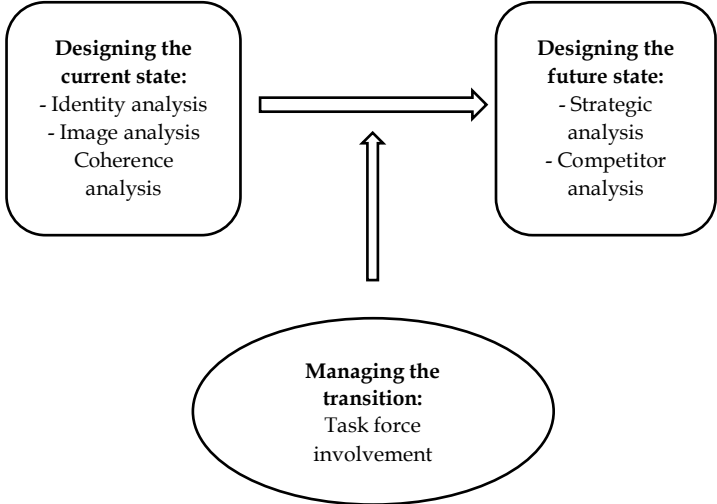


Figure 1: Three stages of a reputational audit

Firstly, we have to focus on the current state. We believe that to understand Unilever’s situation it is best to select year 2018 as a current state. Unilever has already sensed the effects the entrance Aice left on their market share. It is not enough that Aice is slowly eating away Unilever’s market share, but another brand Yili is also entering the market. Unilever must react, and they do so by launching Seru. Following this move, Unilever has become a player in the more affordable ice cream market. Their new brand is influencing their image; however, we cannot yet know how. However, we can assume that the identity of Seru is influenced by the positive identity and reputation of Unilever’s other ice cream brands. Secondly, it is time to focus on the transition part. Unilever must find a way to appeal to customers as a lower priced ice cream brand. They have decades of experience in the premium ice cream segment, but beating their competitors at their own game is different challenge. They have to look at the long-term plan and decide what they want to achieve with Seru. Does this brand exist purely to undermine their competition? Does this brand have a long-term future or is its only purpose

to eliminate the current threat of competition? Given that this case is still ongoing, we unfortunately cannot answer these questions.

Corporate identity mix

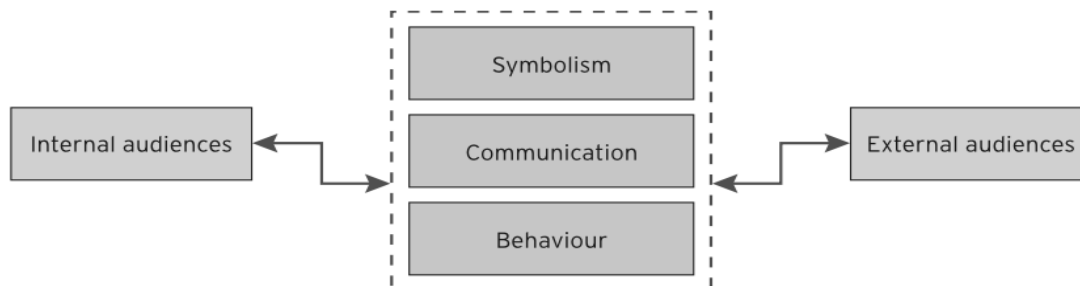


Figure 2: Corporate Identity Mix

Corporate communication demonstrates the corporate personality (Roper & Fill, 2012). Its purposes include exhibiting the corporate identity, managing the public's and other stakeholders' view of the organization and ultimately to enhance corporate reputation. Visual artefacts, like logos trigger associations, makes symbolism matters in conveying message to the audience. In this case, Unilever attached Wall's heart logo to Seru', to utilize the halo effect of consumers' existing positive associations towards the umbrella brand.

Understanding the cultural context of doing business

Indonesia is a country comprised of more than 17,000 islands with a growing population of 275 million people. Although, the urbanization rate is around 60%, it leaves about 110 million people scattered around an area the size of Europe (Britannica, 2024). The country is home of around 1300 ethnic groups who speak more than 800 languages. Despite its growing economy, the average purchasing power is considered low, although rising. This rising disposable income, high temperatures and prosperous economic conditions support the growth of the ice cream market in Southeast Asia. The retail sales value of ice cream and frozen desserts in Indonesia is increasing, it almost doubled since 2017, accounting to 1 billion USD in 2022 (Statista, 2022). According to the Food and Beverage Asia Magazine (2017), India, Indonesia and Vietnam were the top 3 countries with the fastest growing ice cream retail markets between 2012 and 2016. Understanding cultural context is important in managing a brand. The same strategy may not be applicable to other country which has different competition landscape and different cultural aspects (Such as, launching the same fighter brand in Sweden which people are more equals and retails are centered toward supermarket chains will not be equally suitable as launching it in Indonesia).

Managing brand portfolios

Unilever is a good example for corporate brand portfolio management. Most of the time, not all the brands within the same company have equal position or simply vertical - horizontal relations. Sometimes, it is needed having a brand for special

purposes such as Fighter brand. Positioning certain brand requires long-term view and more holistic approaches regarding overall corporate brand reputation.

Fighter brands

A fighter brand is designed to combat, and ideally eliminate, low-price competitors while protecting an organization’s premium-price offerings (HBR, 2009). Fighter brands are lower-priced products or brands introduced by a company to compete directly with rival offerings in the market. They are typically positioned as more affordable alternatives to the company's main brands or premium offerings. Fighter brands are strategically designed to capture market share, fend off competitors, and appeal to price-sensitive consumers without diluting the image or pricing of the company's flagship products. They often serve as a defensive strategy to maintain or expand market presence while providing consumers with a wider range of options within the company's product portfolio.

To regain their customers, Unilever decided to launch a new fighter brand, Seru. Firstly, Unilever tried to utilize the halo effect of their well-established brand, Wall's by marketing the new product line as 'Seru by Wall's'. Secondly, Seru ice-creams aim to compete with the low cost of Chinese products and appeal to consumers with innovative offerings. Finally, Unilever learned from Aice and Joyday's example and improved their retailer management strategies by cooperating with them directly and providing attractive benefits for selling Seru products.

Key learning objectives

Below are the key learning objectives are presented: Corporate identity matrix, reputational audit, corporate audit.

Key learning objectives		
Remembering	To consider the characteristics of the local market	Unilever is a Dutch company operating in 190+ countries who lost their market leader position in Indonesia due to the competition catering better for local needs
Understanding	Corporate brand reputation models and strategies for launching a new brand	Understanding the factors influencing corporate reputation and the reasoning behind different launching strategies
Applying	Relevant frameworks to understand a real-life business scenario	Corporate identity mix, elements of corporate credibility and reputational audit

Evaluating	The management decision	Unilever decided to launch a fighter brand under the umbrella of their more established one, responding to the threat posed by new low-cost entrants to the market
Creating	A successful brand portfolio based on understanding of the core identity of the company and the needs of stakeholders	Unilever launched a fighter brand competing purely on price but launched it under the umbrella of a more premium brand

Table 2: Key learning objectives

Discussion questions

The suggested main question should serve as the discussion's starting point in order to have an effective discussion and keep the conversation focused on the case. It is anticipated of the class to consider the central question during the debate and, from there, to be able to offer well-reasoned responses and recommendations for case solutions. Additionally, the teacher can use the main questions listed below to push the discussion in the desired direction and encourage students to actively debate the main subject.

Main question

What strategy for launching their new fighter brand is most suitable for Unilever to attain and remain the market leader position in the Indonesian ice cream market?

Assisting questions

- Do you believe that Unilever has done their research? After Aice entered the market, how should they have reacted?
- What would you have done differently if you were Unilever? Would you perceive small ice cream brands a threat?
- If you were Unilever, what would your strategy for competing against more local (Asian) brands be?
- What are the characteristics of the Indonesian market? Is it different from other markets Unilever might operate in?
- What do you think contributed to the success of Aice and Yili?

Teaching suggestions

Suggestions for organizing and presenting the case are given in the next section for the instructor. Gaining a thorough understanding of the case, facilitating an insightful discussion, and achieving the learning objectives are all part of the goals of the case.

Preparing for the class

The teacher should provide the class with preparation materials ahead of the case, distributing the Written case documents at least 24 hours before presentation. The Written case consists of the timeline and description surrounding the case. The case is designed for one teacher; however, if there are more teachers dividing the material based on the discussion question remains possible.

The teacher should familiar themselves with the case prior to the presentation, especially the management decision, as it provides a more thorough explanation regarding the actions taken by Unilever. The main discussion in this case is heavily influenced by the cultural setting of the market; thus, understanding the context is important in guiding the discussion.

Given that the case is comprised of a sequence of events instead of single crisis accident, we strongly advise the instructor to read the Teaching note after the Management decision. We included a decision tree outline (**Exhibit A**), which will be helpful in structuring and carrying out the class discussion. A whiteboard or presenting materials that can be used to present the decision tree would be useful in visualizing the discussion steps.

Introducing the case

When introducing the case to the class, the best thing for the teacher as well as for the audience is something to “break the ice”. One of the possibilities is that the presenter uses the phrase “I scream, you scream, we all scream _____” and the audience can reply with “ice cream”. The presenter can then explain that ice cream is in the centre of this case. Following this, the presenter can continue with a simple analogy about how competition takes place in the ice cream category. Suggestion could use Scandinavian bed arrangement analogy (half-half duvet arrangement). We would not be happy having our sleeping space decreased, which is similar with ice cream cabinet. More competitors = less space in the fridge.

Discussing the case

The discussion phase should start with the teacher reminding the audience that they should take the roles of members of the Unilever team. Consequently, this insinuates that the discussion is about to start and that the class should be prepared to react quickly. The following step is for the teacher to repeat the main question that can be found in the in the written case (published online at least 24 hours before the

presentation). For the discussion to go smoothly, this is the time the teacher needs to verify with the audience all the concepts and parts of the presentation are clear enough for them to tackle the problem.

The next step for the teacher is to assume the role of the case mediator. The role of the mediator is to guide and manage the discussion in the right way, so that the decision can be reached in time. It is important that the teacher remains impartial and accepts any suggestions that are made by the audience. The teacher needs to ensure that everyone has a voice and that that voice is heard. For everything to go smoothly and according to the timeframe, the teacher can nudge the discussion in the right direction with the help of the above-mentioned assisting questions.

While discussion is ongoing, the teacher can use tools available in the classroom, such as a whiteboard (for a suggested board plan see **Table 2**). As there are many people in the audience, the teacher needs to make sure that everyone's voice is heard during the discussion, similar to how it is when members of the Unilever board decide on a decision. One of the simplest rules the teacher can implement is raising the hand if the individual has something to say or add. Another is to divide the class into small groups and that every group represents the Unilever team. The individuals in the team must then conclude what they would do regarding Unilever's situation. At the end of the discussion the teacher must summarise what was said and ask if there is anything that needs to still be discussed.

Concluding the case

When most important points were covered, the teacher should announce that the case is coming to a conclusion. In this phase, the instructor needs to present and explain the decision that was made by the Unilever team. The same tools that were used in presenting the case, can be yet again used to present the management decision made in the real case. The teacher can bridge the similarities and differences between the actual decision taken by the real case versus the decision made by the audience.

After the management decision is known to the audience, the teacher can ask the audience for some feedback regarding the outcome. An additional small discussion can thus take place in this part of the presentation, consequently enhancing the learning objectives. At the very end of the presentation the teacher can summarise the key learning objectives and discussion points made by the audience. Lastly, the teacher should end the presentation and thank the audience for participating in the discussion.

Time plan

Figure 3 explains the suggestion on how to divide the class time between the different parts. Total time is estimated to be around 30 minutes. The first 5 minutes is critical, as giving a thorough explanation of the case background will aid student's understanding of the main case. The next 15 minutes should be used to present the main case, and lead the class discussion utilizing the decision tree (**Exhibit A**). Following the explanation of the decisions made by management, the session should

be concluded with a follow up discussion summarizing the session and concluding comments from the instructor.

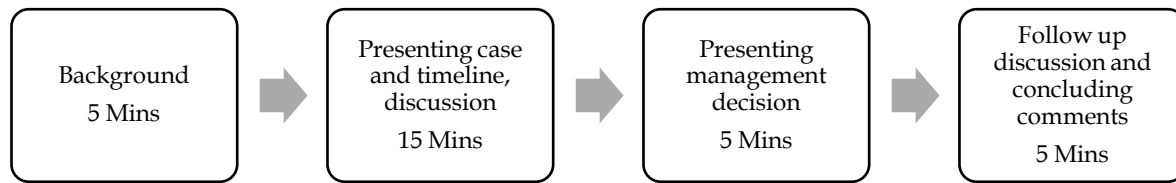


Figure 3: Time plan for the case presentation

Board plan

When using cases in the classroom it is important for the teacher to understand and remember key discussion points to be touched upon in the discussion phase. Therefore, we advise the presenter to develop a preliminary board plan prior to the class presentation. The following (Table 2) is a suggested board plan, designed for three boards. This board plan serves as a tool for the presenter and audience to keep a clear overview of topics and thoughts that the case audience generates and discusses. Building on the in-class discussion, it can be filled-in step-by-step during the presentation.

The first board summarizes the local context of business – the unique characteristics of the Indonesian ice cream market. The second one provides an overview of the class's decision on the new brand's strategy. This is divided into three steps: positioning the brand within Unilever's portfolio, segmentation and launching strategy. The last board can be used for the discussion following the management decision. The text in italics represents suggestions of what the student might come up with in their discussion. After having discussed the case, the case audience should be able to reflect critically on the case's management decision.

Context of the local business	Strategy of the new brand	What went wrong/what would you have done differently?
<ul style="list-style-type: none"> • <i>Tropical climate</i> • <i>Large population, dispersed over a vast country</i> • <i>The population is young</i> • <i>Lower levels of education</i> • <i>Growing but low purchasing power</i> • <i>Fragmented retail landscape</i> 	<ul style="list-style-type: none"> • <i>Positioning: class decision</i> • <i>Segmentation: class decision</i> • <i>Launching strategy: class decision</i> 	<ul style="list-style-type: none"> • <i>Not perceiving the new entrants as a threat</i> • <i>Reacting too late</i> • <i>Directly copying Aice's and Yili's strategy</i> • <i>Competing directly on price rather than having a sustainable competitive advantage</i>

Table 2: Board plan

Reflection

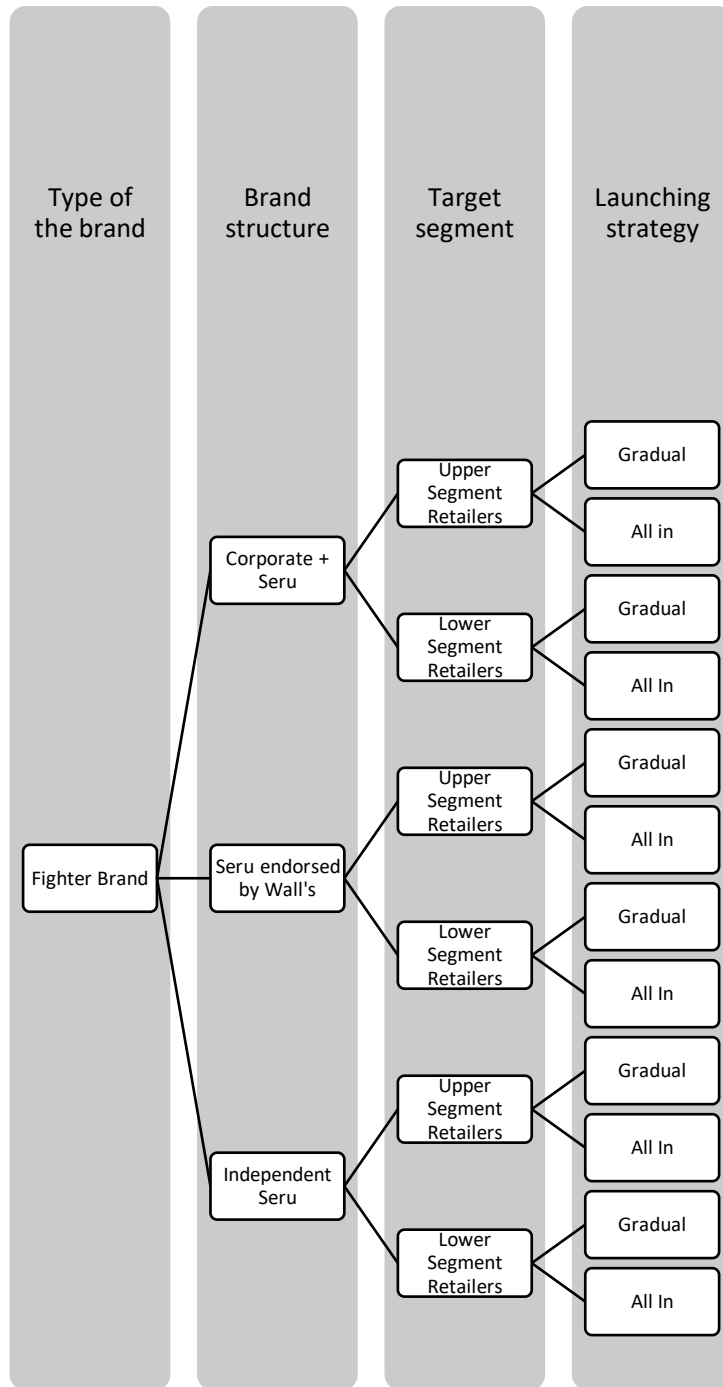
Writing this case has been very insightful for three of us. Both in terms of getting to know the situation of the ice cream market in Southeast Asia as well as learning how to write a case study. The fortunate thing is that our team quickly agreed on the topic that we were interested in. Throughout our case writing we often leaned on information from the class of the course BUSN35 Corporate Brand Management and Reputation at Lund University as well as the textbook that was provided in the course outline. Of course, it helped that we got a lot of guidance from Mats Urde at our supervision, on how to tackle an ongoing case that has yet to reach a conclusion.

One of the most difficult parts of this case study was that this situation is still ongoing. Based on the previous examples, all the cases tackle issues that are already resolved. This can also be sensed in our managerial decision. When writing the managerial decision, we thus decided to take a bit different approach. We wrote about what other competitors were doing at the time, when Unilever was not active. We decided this because we believed that what competitors were doing influenced Unilever over time, and they were the reason Unilever responded by introducing their own brand. It was difficult to stem away from the “textbook definition” of the managerial decision, however at the time and we believe it was the right choice.

Whilst writing the case study we also discovered a similar situation that happened in a different industry. We learned from the brand Nokia, as they were in a market leader for many years and didn't reach when competition entered the market. Consequently, 2 years later they Nokia was burning. The parallel between Nokia and Unilever is undeniable so we think it is most suitable to end our reflection with the famous quote from Nokia, and let the reader reflect: “While competitors poured flames on our market share, what happened at Nokia? We fell behind, we missed big trends, and we lost time”.

Overall, this case study enabled us to apply theoretical frameworks to a real-world scenario, deepened our understanding of corporate reputation and brand management and maybe even helped us develop an appreciation for case-based learning. We feel confident that this assignment has equipped us with the skills that will serve us well in future challenges.

Exhibit A



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