

Drunk Elephant: The New Toys'R'Us?

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 document is intended to provide additional support to teachers and case presenters with frameworks, theoretical information, and data to support a structure for a more effective discussion of Drunk Elephant case. Facilitators will find a synopsis of the case to enhance their understanding of the incident and introduce it to the audience. Subsequently, the document will proceed with the learning objectives and furnish additional information to assist the session with frameworks based on relevant corporate brand management and reputation theoretical perspectives. Finally, teachers and presenters will find a suggested structure, including a timeline and a board plan, for a cohesive development of the entire discussion.

Case Synopsis

Drunk Elephant is a skincare company created in 2013 by Tiffany Masterson, an American mother with sensitive skin searching for products that do not contain irritants. Masterson found a gap in the skincare market and set out to create her own brand with gentle and effective ingredients using the financial backing of her family and leasing chemists. What sets Drunk Elephant and lead to its popularity is the ingredient quality, the light, bright, and cheerful corporate branding and targeting women twenties and older who aim to address skin issues associated with sensitive skin. However, in recent years, an unforeseen social phenomenon has positively impacted Drunk Elephant's revenue and awareness. Gen Alpha has appropriated the brand as their own and consequently generated significant buzz on social media, especially on TikTok, where the brand leads the 2023 rankings in the number of hashtags related to skincare (3,200m) and in the number of followers (873.6k). It is one of the brands that have gained immense popularity with a ~300% follower growth on Instagram and TikTok between 2020-2024.

Recently, high-end beauty stores in the US have experienced a high volume of 10-13-year-old kids harming samples and regular products, resulting in damage to the store, products, and the customer experience of older and loyal consumers. Despite this, they have a significant influence on their parents who end up purchasing costly products and spending high amounts at the retailers. This led to Drunk Elephant being the top-selling brand for Sephora in 2021, referred to as "The New Toys'R'Us for tweens" according to critics, and the most improved sales brand within Shiseido Corporation, which has owned Drunk Elephant since 2018, by the end of 2023.

Due to these recent events, there is concern expressed on social media about this generation and the potential impact of their early participation in consumption in terms of the environment, physical damage, mental health, and perpetuation of beauty standards, raised by parents, medical experts, and critics.

“How should Drunk Elephant address Gen Alpha? Which actions/initiatives should be implemented regarding this?”

Learning Objectives

The presented case addresses several topics regarding the corporate brand management and reputation field and even provide insights from philosophical and sociological perspectives. Concerning the learning objectives, it focuses on Corporate Brand Identity, Reputation, Corporate Social Responsibility (CSR), and Corporate Communication. In the following paragraphs, these concepts are explained and applied to Drunk Elephant with additional frameworks and models for a better understanding. For a correct development of the discussion, the presenter should be capable of connecting and linking the intended topic with the showcased theories and models for the audience to understand and apply this to adjacent cases.

Corporate Brand Identity & Reputation

Drunk Elephant has established itself as a leading prestige brand in the skincare industry, facing both rapid growth opportunities and ethical challenges, especially concerning the brand's engagement with Gen Alpha. The Corporate Brand Identity Matrix (CBIM) by Urde (2013) serves as a fundamental key framework, offering a structured overview of corporate brand identity and guiding the definition and construction of this identity (Figure 1). Comprised of nine interrelated elements, the CBIM forms the foundation of the corporate brand's identity. Additionally, delving into the extended CBIM model, the Corporate Brand Identity and Reputation Matrix (CBIRM) (Figure 2) incorporates an external perception, focusing on aspects that define the brand's reputation. A comprehensive understanding of corporate identity and reputation is crucial in navigating these complexities, posed by Drunk Elephant's engagement with Gen Alpha. Therefore, the following corporate identity (Urde, 2013) and reputation matrix (Urde & Greyser, 2016) serve as valuable tools to analyze and deduce the impact of Drunk Elephant's popularity among Gen Alpha on the brand, identifying areas that may require particular attention

Corporate Brand Identity Matrix (CBIM)

Applying the CBIM reveals a shift in Drunk Elephants intended audience. While the brand initially intended to appeal to a mature audience with sensitive skin, the brand's visual appeal had greater associations with youthfulness has lead to the appropriation of this corporate brand by Gen Alpha. Consequently, the corporates brand's visual expression and personality which is characterized by a playful aesthetic, vibrant colors and packaging resonated with the younger demographic.

<i>External</i>	<p>Value Proposition Offering high-quality skincare products that deliver real results, with utmost focus on ingredient safety and transparency. "If there's any DOUBT, it's OUT."</p>	<p>Relationships Engages with customers through social media, creating a community of skincare enthusiasts. Emphasis on customer education and feedback.</p>	<p>Position Premium clean beauty brand, distinguishing itself through a commitment to effective, non-toxic ingredients and skincare expertise.</p>
<i>Internal/ External</i>	<p>Expression Clean, minimalistic but bright, colorful and playful aesthetic in packaging and marketing materials.</p>	<p>Brand core Elevating skin health. Values: Transparency, safety, efficacy, and clean beauty</p>	<p>Personality Friendly, trustworthy, and knowledgeable. Balances seriousness about skincare with an approachable and relatable tone</p>
<i>Internal</i>	<p>Mission & Value Their mission is to deliver clinically-effective, biocompatible skincare without any 'toxins'. Their vision is to empower individuals to feel confident in their natural skin.</p>	<p>Culture Embraces transparency, simplicity, and a commitment to using safe, non-toxic ingredients. A culture of promoting skin health and self-confidence.</p>	<p>Competencies Expertise in formulating skincare products with a blend of natural and synthetic ingredients for optimal effectiveness</p>

Figure 1: Corporate Brand Identity Matrix of Drunk Elephant

This surge in popularity showcases several challenges and misalignment that become salient when analyzing them under the lens of the matrix: Drunk Elephant's brand core, focused on enhancing skin health, faces a clear mismatch between its intended values of safety and efficacy and the needs of Gen Alpha, whose young skin may be adversely affected by skincare ingredients designed for a more mature audience. The active ingredients in the brand's products, has also led to questions about its appropriateness for the younger audience. This underscores the potential need for Drunk Elephant to assess its competencies in formulating products suitable for the skincare needs of Gen Alpha while maintaining its commitment to clean beauty.

Furthermore, the younger consumer base shifted the brand's previous associated prestige position, especially in the eyes of the older customer base. On top of that, the older customers may no longer identify themselves with the brand and distance themselves from the brand as it increasingly associates itself with Gen Alpha. This emphasizes the rising need for Drunk Elephant to maintain its prestige status and manage its position in order not to lose its intended customers.

Additionally, the introduction of this new demographic alongside the existing one strains relationships with the initial customer base. The distinct behaviors and opinions of Gen Alpha pose increasing difficulties in balancing, adjusting and converging brand identity aspects for both consumer bases. Incidents in retail stores, including destruction of testers and products, rude behaviors towards retail employees and other customers, have already created an uproar amongst the older customer bases and indirect stakeholders. This signals the necessity for the brand to reassess its relationship strategies when accommodating a younger demographic.

Corporate Brand Identity and Reputation Matrix (CBIRM)

The CBIRM matrix additionally highlights challenges associated with the external reputation of the brand and provides further insight into the discrepancies between internal brand identity and its reputation. As discussed above, the appropriateness of Drunk Elephant's products for Gen Alpha has become a critical consideration. The

brand may be faced with increased scrutiny and backlash if the products are deemed inappropriate for this demographic, impacting relationships with both customers and retailers. A thorough analysis of the matrix (Figure 2) reveals that several dimensions of Drunk Elephant's reputation are significantly affected:

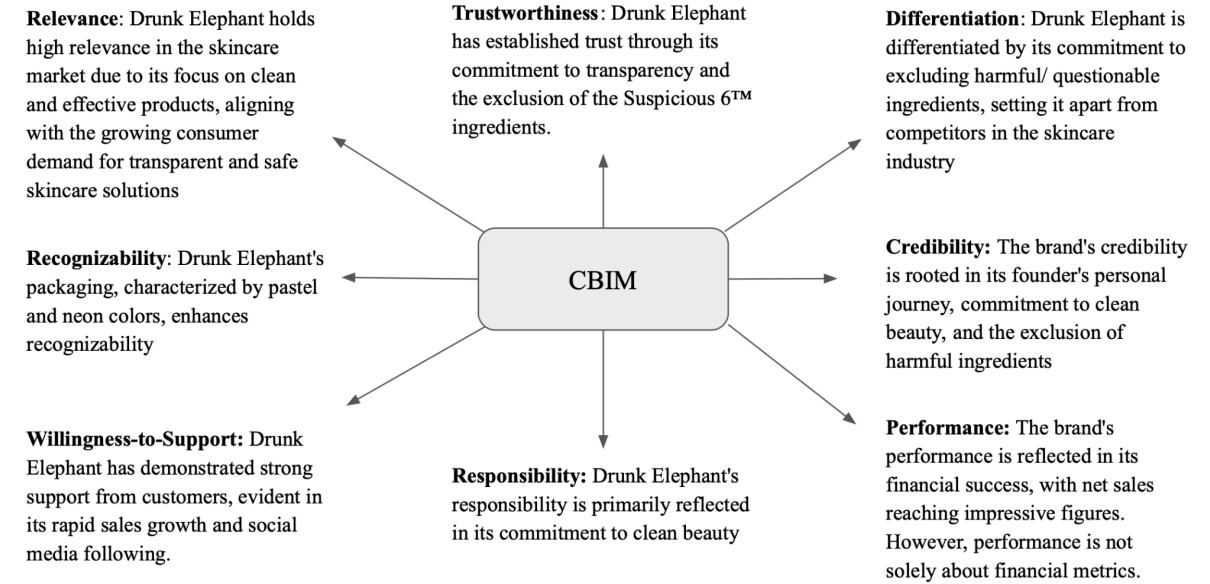


Figure 2: Corporate Brand Identity and Reputation Matrix of Drunk Elephant

Recent concerns about the appropriateness of its products for children, coupled with ethical concerns related to the young age of the target audience may impact brand’s trustworthiness and impose a threat to its credibility, especially in regards to its values and moral obligations.

The brand's surging popularity, along with raised concerns from various stakeholders including dermatologists, parents, and even Sephora employees, underscores the expanding responsibility of Drunk Elephant. It now faces the demand to ensure the suitability of its products for this young demographic. This extended responsibility means the brand has to reassess these aspects, particularly product design, ethical considerations, and market positioning to sustain their performance and stakeholders' willingness-to-support the brand.

Overall, the growing Gen Alpha customer base has particularly impacted Drunk Elephant’s Brand Core, Position, Relationships and Competencies dimension within the brand identity matrix. Consequently, this impact extends to the brand's reputation, influencing trustworthiness, credibility, responsibility, performance, and stakeholders' willingness-to-support. Drunk Elephant's ability to react appropriately to this situation is crucial, as reflected in the reputation matrix.

Corporate Social Responsibility & Moral Philosophy

Corporate Social Responsibility (CSR) as defined by Roper and Fill (2012) is a form of self-regulation by firms. This is applicable to the Drunk Elephant case because there was a sudden influx of negative press from a variety of stakeholders critiquing the ethics and morality of Drunk Elephant due to the unexpected appropriation by Gen Alpha. Both Shiseido and Drunk Elephant practice CSR in conventional areas such as

sustainability, and inclusivity. However it is apparent that the area of ethics of potential demographic consumers was not accounted for in advance. This is what resulted in the brand being accosted by the press, industry professionals, retailer staff, and non-Gen Alpha brand consumers which resulted in a call for action from concerned stakeholders. This highlighted a gap in CSR employed not only by Drunk Elephant but all skincare companies. The function, and strategic benefit of engaging in CSR according to Kotler & Lee is this activity increases market-share and profitability, improves brand positioning through positive attitudes from stakeholders, employee pride, and according to some enterprises feel like free advertising (Roper & Fill, 2012).

The seemingly random nature of Drunk Elephant of all skincare brands being chosen as the heuristic top-of-mind prestige brand for Gen Alpha is fascinating but not totally out of pocket. As argued in the other deliverables, the corporate brand did employ internal/external factors reminiscent of child-like expression and personality. A key component of CSR, though voluntary, is to monitor and ensure ethical standards, however depending on your chosen moral philosophical lens Drunk Elephant may have failed in this aspect. The necessity to evaluate the Drunk Elephant case from the moral philosophical perspective is to address Porter & Kramer (2006) first reasons why corporations engage in CSR is a moral obligation. Out of these four reasons moral obligation is more poignant to this case and will therefore be investigated in more detail than the other three; sustainability, license to operate, and reputation (Roper & Fill, 2012). The implications of publicly viral failure in CSR and its implications of reputation are thoroughly considered in The Written Case and The Management Decision.

This case was presented to Mattias Gunnemyr, PhD representative at Lund University Department of Philosophy, with a specialization in Practical Philosophy, the CSR. Dr .Gunnemyr's expert insight on the moral philosophy of this case can be approached using three applicable yet divergent schools of thought. These three perspectives will be operationalised and applied to the case with an emphasis on the CSR and subsequent reputation implications.

Utilitarian Perspective

Moral Theory premises that "actions should be judged right or wrong to the extent they increase or decrease human well-being or 'utility'," created by Jeremy Bentham (D'Olimpio, 2019). This is one of the most well-known normative moral theories that are conventionally used in everyday discussion. It is often associated with the Trolley Problem which is used as a mental exercise to test whether one makes utilitarian or deontological judgments (Hashimoto, 2022). In a situation where the track diverges into a fork and one the left is empty, whilst your best friend is tied to the right track, it is easy to make the decision for the cart to turn left to avoid harming your friend. However this thought experiment inevitably increases in complexity and moral ambiguity depending on 'who', or 'what' you put on the tracks. This same utilitarian logic can be applied to the Drunk Elephant case.

To highlight the complexity of applying this logic to this case consider the impact this phenomenon has had on Drunk Elephants reputation, versus its impact on sales and profit. Comparably, though the phenomenon has complicated implications for the mental health, self-esteem, and consumption behaviors of Gen Alpha the success of Drunk Elephant and skin care has likely taught children the benefits of regularly using sunscreen which may decrease the number of cases of melanoma we see in their generation. Making a pro & con list of the good, bad and ugly effects of this phenomenon is possible, but will not render a conclusive and satisfactory resolution to if this phenomenon has been a net-positive, or net-negative for Drunk Elephant on Kotler & Lee's CSR measures (Roper & Fill, 2012), and impact on its reputation.

Consequentialist Perspective

Utilitarianism and consequentialism share many of the same tenets. One difference, however, is consequentialism does not specify a desired outcome, while utilitarianism specifies good as the desired outcome. Defined by Ethics Wrapped (n.d.) as:

“Consequentialism is an ethical theory that judges whether or not something is right by what its consequences are. For instance, most people would agree that lying is wrong. But if telling a lie would help save a person's life, consequentialism says it's the right thing to do.”

This is another subjective normative moral theory which uses a similar approach to utilitarianism. However when one applied this perspective to the Drunk Elephant case one must recall to judge Drunk Elephants degree of moral obligation and responsibility on the net effect of the outcome, not judging the process of how the outcome were rendered. Once again thoroughly analyzing the case on this measure would be a laborious process as all stakeholders and area of impact would have to be considered. Furthermore, the mid-late-stage development of this case is yet to be seen. Regardless, these moral philosophy theories are invaluable when straining the degree to which one critically assesses the impact on CSR in a dilemma.

Principles of Social Justice & Profiting Off-of Injustice Principles

The first is following the *Principles of Social Justice* by David Miller (1999). Outlines 4 factors that dictate who should act in a morally ambiguous situation, a 5th Principles was added by Daniel Butt. These factors are as follows; Causal Responsibility, Moral Responsibility, and Capacity Community/ Communitatiran principle and Profiting off of injustice.

The first principle in who is liable to remedy the situation and alleviate the victims suffering (arguable “Gen Alpha”) is Causal Responsibility, who caused the incident, regardless of intention. This measure is complex to derive a definitive answer from in the context of the case as there were multiple confounding variables and stakeholders who contributed to the cause of the #SephoraKids phenomenon. Such

as social media platforms for hosting the diffusion of the Gen Alpha Drunk Elephant user generated content, or perhaps parents who allowed them an account in the first place and were the ones to purchase the Drunk Elephant products for their children. If one deems Drunk Elephant as the agent who caused the phenomenon they would be breaching moral obligation as they have 'failed' to be a good corporate citizen (Roper & Fill, 2012).

The second principle, Moral Responsibility, aims to assess who is morally responsible for the situation. Miller differentiates this from the previous principle, sharing it

“Involves an appraisal of the agent's conduct... The agent's role in bringing about the outcome must be such that it leaves the agent liable to moral blame....requires us to ask questions such as whether the agent intended the outcome, whether he foresaw it, whether his behavior violated some standard of reasonable care, and so forth,” (MILLER, 1999).

As this viral Gen Alpha trend snowballed at the seemingly exponential rate of viral development this is another principle that is hard to assess. However, as evidenced in The Management Decision, bystander netizens were quick to criticize Drunk Elephant for not acting fast enough in addressing the situation and arguing that the corporate branding intentionally targeted adolescence. The latter argument was however addressed by Masterson herself, and supported by a netizen conclusively sharing that the branding is 'Millennial Coded'. The speed at which the tomato wielding masses demand a thorough, and satisfactory answer from corporations does not necessarily align with the time it takes for board members and executives of Drunk Elephant and Shiseido to make an informed decision about how to proceed with the least friction.

The third principle Capacity to remedy the situation is another liability gray area. This principle argues that those who are most capable and effective to resolve the issue are remedially at liberty to do so. However, this principle is mediated by the cost to the agency of remedying the situation. The potential damage to the reputation of Drunk Elephant, and the mental and physical harm done to Gen Alpha is already done. There would be different possibilities to how Drunk Elephant could possibly resolve, or alleviate the tension between the dynamic of stakeholders and Gen Alpha. However the most impactful measure, recalling all harmful products from Gen Alpha, would be wholly ineffective. Other possibilities are to be discussed in class, and some outlined in The Management Decision. Not to mention that by taking a back-peddling approach would, to many engaged critics, be an admission of guilt, and increase risk of litigious action from any stakeholder who has suffered. The agent with highest authority, and subsequent efficiency would be legislative bodies. The issue of this is Drunk Elephant, and this phenomenon is at the global scale. Therefore coordinating cross-border action, and ensuring parents stop purchasing what their darling children want is highly costly, and unreasonable.

The fourth Communitarian principle is measure dependent on the sociological, and Social Identity Theory plane. Miller depicts this principle as follows:

“The claim is that when people are linked together by such ties, whether arising from shared activities and commitments, common identities, common histories, or other such sources, they also (justifiably) see themselves as having special responsibilities to one another, responsibilities that are greater than those they have towards humanity at large; and this in particular imposes special responsibilities towards any member of the relevant community who is harmed or in need.”

From this view on the case using this principle, the parents of the Gen Alpha Drunk Elephant are remedially liable. This argument could be made for the friends of the children who diffuse the trend by word of mouth, and social media influencers who have promoted the products. Due to the numerous stakeholders involved in the case this principle is also tricky to straightforwardly measure.

The fifth and final principle added by Daniel Butt, nearly a decade after Miller's publishing is the agent benefiting off of the injustice. According to Butt the actor who most benefits from the morally ambiguous phenomenon, and victims, is responsible to resolve the situation. He elaborates that

“moral agents can possess compensatory obligations as a result of involuntarily benefiting from injustice even when the victims of injustice do not need to be lifted above some minimal threshold level of well-being.” (Butt, 2007)

Following Butt's logic, Drunk Elephant is the candidate most apt for being responsible in this measure. As outlined in the other two deliverables, the corporation and its parent company has seen unprecedented success in measures of profit, sales, social media following, and name-brand recognition.

That summarizes the 5 Principles of Social Justice & Profiting Off of Injustice Principles in the context of the Drunk Elephant case and highlights the degrees to which this could possibly affect the CSR. Below (Figure 3) is a hexagonal 5-point measurement of to which degree the authors assessed the primary stakeholders in the case to be remedially responsible. This can be an interesting approach to allow students to independently discuss the sophistication and complexity of the role Drunk Elephant had in facilitating the viral phenomenon.

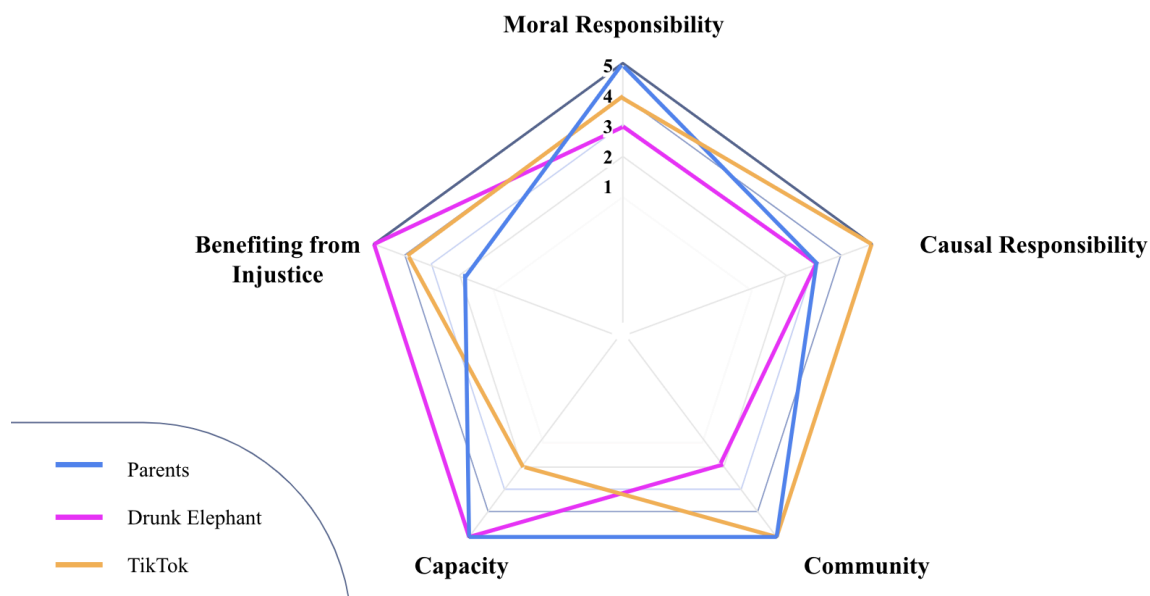


Figure 3: Principles of Social Justice & Profiting Off-of Injustice Principles of Primary Agents in Drunk Elephant Case

Corporate Communication

According to Roper & Fill (2012), the core responsibility of corporate communication is to manage stakeholder perceptions of an organization. This extends beyond simply conveying content; it also encompasses understanding the types of issues an organization chooses to address and share with its stakeholders. As Forman & Argenti (2005, cited in Roper & Fill, 2004) note, aligning corporate communication with strategy implementation is crucial for achieving a positive impact.

This is why organizations should pay close attention to how communication is disseminated through different touchpoints and how each message contributes to brand perception among stakeholders.

Drunk Elephant, despite its recent launch in 2013, has managed to stand out in a saturated market. The brand's rapid growth can be attributed to its distinct communication style, highlighting its marketing communications (van Riel & Fombrun, 2007, cited in Roper & Fill, 2004), characterized by simplicity and transparency, which fosters a deep and emotional connection with its audience. Over the years, the brand has prioritized direct and open dialogue with its consumers to build long-term relationships and leverage word-of-mouth marketing, a key driver of its social media success.

Currently, Drunk Elephant has demonstrably achieved remarkable results in achieving Level 1 - functional outcomes (Roper & Fill, 2012, p. 219). These successes include raising brand awareness in a crowded market, establishing a clear brand position, crafting a distinct image, and delivering successful communication through a strong visual identity and storytelling. Additionally, the brand has fostered a reputation for transparency and simplicity in its interactions with consumers.

However, the recent controversy regarding Gen Alpha appropriation necessitates a clear response from Drunk Elephant. To effectively address this issue, the brand exercised the four tasks of corporate communication identified by van Woerkum & Aarts (cited in Roper & Fill, 2012) (Figure 4).

Following the social media backlash from stakeholders, Drunk Elephant faced criticism from dermatologists, psychologists, parents, and retailers (Sephora, Ulta, etc) staff. This necessitated a clear brand response to address the situation. As depicted in **Figure 4** under the "exploring" stage, Drunk Elephant identified the key concerns raised on social media. Subsequently, under the "informing" and "relating" stages, the brand leveraged its social media presence to reinforce consumer confidence. This was achieved by issuing a disclaimer regarding products unsuitable for children and tweens and providing a recommended list of safe alternatives, which served to reinforce Drunk Elephant's image of transparency and authenticity. Finally, within the "negotiating" stage of the response framework, Masterson hinted at the possibility of a product line oriented to Gen Alpha's specific needs during an interview with Gloss Angeles.

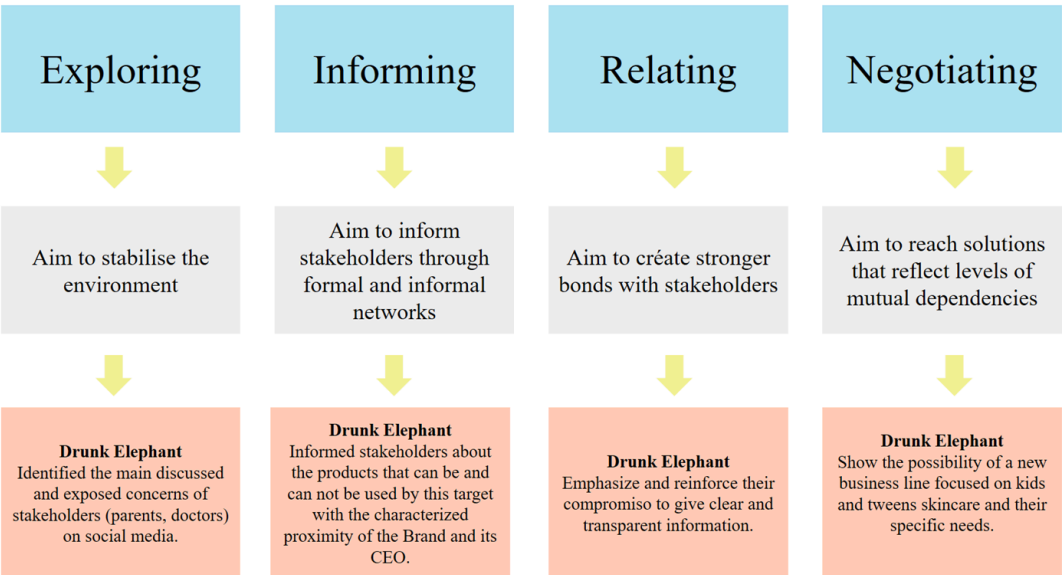


Figure 4: Four tasks of corporate communication applied (Roper & Fill, 2012, adapted from van Woerkum & Aarts, 2008) to the Drunk Elephant case.

Identifying your stakeholders to solve an issue

The Gen Alpha controversy surrounding Drunk Elephant presents an issue to solve as Chase (1984 cited in Roper & Fill, 2004) defines it as 'an unsettled matter which is ready for decision.' However, in this case, the objective may be to manage it effectively through clear communication. As Roper & Fill (2012) suggest, analyzing the situation is crucial to understand its complexity and identify the key stakeholders involved.

Nutt & Blackoff's (1992 cited in Roper & Fill, 2004) stakeholder classification framework can be applied to categorize Drunk Elephant's stakeholders in this situation (Figure 5). This analysis will inform the development of targeted strategies.

Drunk Elephant Stakeholders	Stakeholder Category
Parents	Antagonistic stakeholders
Gen Alpha Kids	Supporter stakeholder
Retailers	Supporter stakeholder

Figure 5: Stakeholders categories applied (Roper & Fill, 2012, adapted from van Nutt & Blackoff, 1992) to Drunk Elephant’s case.

Strategic responses

According to Cornelissen (2008, cited in Roper & Fill, 2004), organizations can formulate four key response strategies depending on the nature and type of the stakeholder: silence, accommodation, reasoning, and advocacy. In response to the recent controversy, Drunk Elephant employed an advocacy response spearheaded by CEO Tiffany Masterson. This was evident in her signed Instagram post where the brand warned children and tweens to avoid stronger products and provided a list of safe alternatives.

“ Yes! Many of our products are designed for all skin, including kids and tweens. First, I would say stay away from our more potent products that include acids and retinols – their skin does not need these ingredients quite yet. Here’s a list of our products that are safe for kids and tweens to use: Beste, Lala...”

- CEO Tiffany Masterson

This response exemplifies and reinforces Drunk Elephant's commitment to transparency, authenticity, and fostering a close relationship with its community. Furthermore, CEO Tiffany Masterson's participation in select interviews demonstrates the brand's intent to shape public opinion. The goal is likely to persuade parents to reconsider how Gen Alpha is currently educating themselves on social media and concerning skincare routines at a young age.

These efforts were further supported by the inclusion of a dedicated Q&A section on the Drunk Elephant website specifically designed to address concerns from Gen Alpha parents regarding the ingredients used in their coveted products.

However, while the brand has demonstrably responded to public outcry, some lingering concerns remain unaddressed. To mitigate these concerns and prevent future crises, Drunk Elephant should consider engaging a broader range of stakeholders and industry experts towards a reasoning response. This collaborative approach would allow the brand to develop more comprehensive action plans that address potential long-term impacts.

Discussion questions

This case could be addressed from different angles to depict the complexity of the phenomenon. The main objective is to deepen corporate identity and reputation, CSR, and corporate communications which are the concepts addressed in the case. The following questions are a guide to drive the discussion in the session and promote the reflection of students according to these topics.

Main question

“How should Drunk Elephant address Gen Alpha? Which actions/initiatives should be implemented to tackle this?”

Assisting questions

Corporate Brand Management (Reputation and Communication)

- Is this attention beneficial for Drunk Elephant, if so how?
- How has this unexpected attention affected the reputation of Drunk Elephant?
- How would you respond to this controversy to be aligned with DE’s corporate communication?
- Which resources/tools would you use to communicate your position to stakeholders?
- Do you think Shiseido should take a position?
- Would you have a proactive position regarding children's use of Drunk Elephant products?

Corporate Social Responsibility

- Should Drunk Elephant take responsibility for this phenomenon?
 - What could the outcome be?

- What is the most effective way to address this gap, or point of tension in Drunk Elephants CSR?

Liability

- Is Drunk Elephant responsible for promoting unhealthy and unsafe practices and products to children?
- Who is liable when it comes to the children damaging the testers in the beauty stores? (how do Drunk Elephants stakeholders respond to this; Sephora, and Ulta).

Teaching suggestions

The following suggested structure promotes the discussion of the case and helps the presenters encourage participants to reflect deeply on the underlying topics to achieve the learning objectives.

Pre - presentation phase

For a successful discussion, it is necessary to prepare in advance to fully understand the context and details surrounding the incident and the brand.

For a better understanding of the brand, it is recommended to check the brand's communication channels such as social media (Instagram and TikTok) and the website. It is important to begin by reading the written case, followed by an analysis of management decisions to comprehend the various positions related to the brand. Finally, utilize the teaching notes, which provide a suggested structure for the case and concepts and theories to connect with the situation.

A visual presentation is also included, which should be used to support and guide the discussion, ensuring the display of exhibits that offer a clearer idea of the incident.

The audience should receive the written case in advance to study and prepare for the discussion. It is also advisable to gain an understanding of the brand and its identity with external resources.

Introduction phase

The discussion could start with an interaction with the audience to understand their familiarity with beauty care, TikTok trends, skincare, the Gen Alpha phenomenon, and Drunk Elephant.

The presenters could reveal the best-seller picture or the logo, followed by the suggested questions:

- Have you seen this product/logo before?
- Have you used it? Has someone around you used this?

- How did you hear about the brand?
- Has anyone seen a TikTok video mentioning the brand?

These questions will provide the presenter with insights into the audience's knowledge about the brand and guide the transition from casual conversation to the introduction of the case.

Discussion phase

By this phase, the audience should already have recognized Drunk Elephant, if they have previously encountered the brand. Moreover, they would have gained an understanding of how the brand targets its audience, positions itself, and utilizes its symbols. Once the participants possess all the necessary details, the discussion can commence.

The audience can assume the role of Corporate Brand Consultants, tasked with making the best decision for Drunk Elephant's strategy. The presenter will take on the role of moderator, guiding the discussion using the suggested questions. This will begin with the main question and progress through assisting questions to encourage the audience to link relevant concepts and theories to the case according to their learning objectives.

To conclude this section, the moderator can utilize the board to write down the proposed alternatives from the "Consultants." As an example, they can use the Board Plan above to facilitate voting for the best option.

Conclusion phase

After voting, the presenter will reveal the actual management decision. If it aligns with the chosen option by the audience, the moderator should highlight the accurate arguments presented by the participants. Conversely, if it differs, the instructor should explain the rationale behind the actual decision and ask the audience for their opinions about the final decision.

For an insightful closure, the moderator should emphasize the arguments considered throughout the options, providing insight for the audience in addressing similar situations in the future. The presenter can summarize the session with the main key learning and opinions from participants.

Time Plan

To facilitate a successful discussion, the instructor can follow a suggested timeline to distribute different case phases within a 30-minute timeframe. Ideally, the session should begin with an 8-minute *Introduction phase*. The first 2 minutes can serve as an icebreaker, assessing the audience's existing knowledge about Drunk Elephant. Proposed questions from the Introduction phase can be utilized during this segment.

The following 3 minutes can be dedicated to a concise overview of Drunk Elephant and Tiffany Masterson's history. This section will conclude with a 3-minute introduction of the Incident, preparing the audience for the *Discussion phase*. During this phase, the instructor will present the case question and initiate a discussion

aimed at collectively identifying three potential management decisions. Over the course of 15 minutes, the instructor will guide the audience towards voting for the optimal choice, according to suggestions in the Board Plan.

The final 5 minutes are reserved for the *Conclusion phase*. Here, the presenter will reveal the final management decision and ask for final thoughts and key takeaways from participants.



Figure 6: Time Plan

Board Plan

The following Board Plan serves as a tool for presenters to drive the case discussion. It can be utilized as a framework to capture the alternatives proposed by participants in response to the case question. Additionally, it allows for recording the arguments supporting each alternative and ultimately facilitating agreement on the audience's chosen final decision.

It is important to note that the chart in Figure 7 is intended as a reference and should be adapted to incorporate participants' responses as the case unfolds. The authors recommend that presenters consider incorporating additional frameworks, particularly to summarize key takeaways and final thoughts from the session, ensuring a rich and effective closure for participants.

How should Drunk Elephant address Gen Alpha?			
Alternatives	Alternative 1: Prevent sales to Gen Alpha	Alternative 2: Changing Marketing approach to Gen Alpha	Alternative 3: Proceed with Business as Usual
Arguments	Argument 1: Encouraging children access to skincare under legal age to have full autonomy is unethical because beauty practices have been found to negatively impact their mental health.	Argument 1: Create a daughter brand for children with products that are safe and age appropriate.	Argument 1: DE is dominating net sales by brand in Shiseido's portfolio. It is the brand that improved the most compared to the other +30 brands.
	Argument 2: Change in the equity and reputation of the brand (and its retailers e.g. Sephora) because of the shift in its customer demographic.		Argument 2: If DE prevents sales to Gen Alpha they will withdraw the market share they have acquired for that demographic.
	Argument 3: Skincare with active ingredients/chemicals should be age restricted, because it is comparable to products that contain nicotine, alcohol or that medicines which negatively affect their health.	Argument 2: Rewrite the narrative stressing how skincare literacy is an integral part of education.	Argument 3: Gen Alpha influences their parents' purchasing habits as well as their own. This means a potential for retailers to increase their sales..
Votes			

Figure 7: Board Plan

Reflection

The case of Drunk Elephant and the Gen Alpha controversy, analyzed for BUSN35 Corporate Brand Management and Reputation course at Lund University, presented a stimulating and intellectually rewarding challenge. This process exposed us to several valuable learning opportunities.

Before starting the research, our team identified a key objective: to select a well-recognized and disruptive brand. This choice aimed to provide us with diverse perspectives and insights into marketing and business practices that significantly impact the corporate brand management field. Additionally, selecting a compelling brand would ensure an enjoyable research process and generate interest among case discussion participants. Subsequently, after evaluating two other intriguing options, the team opted to examine a recently emerging issue within the public discourse that directly impacts Drunk Elephant. This positioned us to understand and develop strategies for a situation that will likely pose a future concern for other brands and organizations, offering us a broader perspective.

Framing the case proved challenging due to the different topics addressed through Drunk Elephant's situation, which encompasses corporate social responsibility (CSR), moral philosophy, reputation management, and corporate communications. Narrowing the focus and defining the specific concepts and theories we would address presented a significant hurdle. As suggested by Professor Mats Urde, the

team approached a moral philosophy expert to provide valuable insights and enrich the case with a fresh and different perspective.

One limitation encountered was the difficulty in obtaining details about Drunk Elephant's internal decision-making process, which implied a fully comprehensive analysis from our diverse sources.

Despite these challenges, the case study proved immensely rewarding. By applying marketing concepts, analyzing communication strategies, and collaborating with peers, the team gained valuable insights into navigating brand reputation within the complex landscape of contemporary marketing challenges.

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