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When the Brand Is the Person: How Founder-Related Scandals Influence Consumer Perceptions of Brand Image

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Abstract

Research problem: As founder visibility and personal branding become increasingly central to modern brand strategies, scandals involving founders raise new questions about brand vulnerability. While extensive research has examined scandals more broadly, limited attention has been paid to how scandals impact brands when they originate from the founder, particularly in cases where the founder's identity is closely intertwined with the brand. This study seeks to address that gap by examining how founder-related scandals influence consumer perceptions of brand image.

Research aim: The aim of this study is to investigate how scandals involving founders affect consumer perceptions of brand image in cases of strong founder-brand entanglement, using the contemporary case of Djerf Avenue as an illustrative example.

Research question: How do scandals involving founders affect consumer perceptions of brand image in cases of strong founder-brand entanglement?

Methods and procedures: This study adopts a qualitative research design grounded in abductive reasoning and a constructionist epistemology. Fifteen semi-structured interviews were conducted with Swedish, female consumers aged 19-25 who had prior engagement with the Djerf Avenue brand. Data were analyzed thematically using a flexible and abductive approach to uncover how consumer perceptions of brand image are shaped following a founder-related scandal.

Results and implications: The study finds that when a founder's identity is deeply intertwined with a brand, scandals involving that individual can profoundly reshape consumer perceptions of brand image, triggering not only reputational damage but also emotional disengagement and perceived betrayal. Rather than buffering against crisis, founder visibility and emotional connection intensified the backlash. These findings contribute to the literature by highlighting the double-edged nature of founder-brand entanglement: the same visibility and emotional resonance that builds authenticity can also become a vulnerability in times of scandal. For practitioners, the study underscores the need for founder-led brands to embed values beyond the individual, prepare for crisis communication, and manage the risks associated with founder visibility and emotional consumer investment.

Keywords: Founder-Related Scandals, Founder-Brand Entanglement, Brand Image, Consumer Perception, Djerf Avenue, Founder Identity, Brand Reputation, Authenticity

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1. Introduction

This opening chapter introduces the topic of scandals involving founders whose identities are closely tied to the brand. It presents the background to the study, explains the significance of exploring how scandals involving founders impact brand image, and outlines the aim, purpose, research question and delimitations. The chapter also situates the Djerf Avenue case within current industry and branding debates and frames the relevance of the study.

1.1 Background and Problematization

In recent years, public scandals involving high-profile founders have repeatedly made headlines, damaging not only personal reputations but also the companies they helped build. Elon Musk's polarizing behavior has raised questions about Tesla's brand values, while controversies surrounding influencers like Matilda Djerf (Djerf Avenue) have shown how quickly a founder's negative behaviour can affect a corporate brand (Jamali, 2025; Carter, 2025; Waldman, 2025; Mcneal, 2024; Mcguigan, 2024). Moreover, personal branding and visibility of CEOs is increasingly requested by consumers, with 70% of consumers feeling a stronger connection to brands whose CEOs are active on social media (Byezhanova, 2024; Sprout Social, 2018; Knight, 2024). Similarly, brands that utilize personalization and make their consumers feel understood have shown higher revenue growth and customer loyalty (Deloitte Digital, 2024; Mckinsey & Company, 2021).

In today's branding landscape, founders are no longer behind-the-scenes figures, they are often the face, voice and moral compass of the company. This branding approach, discussed in terms of the close alignment between a brand and the founder's identity, has been associated with several strategic benefits. Brands tied to a founder's personal story, values, and image often benefit from increased authenticity, trust and emotional connection with consumers (Hamby et al. 2019; Astner & Gaddefors, 2025; Gerhardt, 2022). As Melewar and Karaosmanoglu (2006) argue, the founder's identity can deeply influence a firm's culture, vision and external image, thereby the brand can become an extension of the founder (Astner & Gaddefors, 2025).

However, this entanglement can also create risks. As brands become extensions of individual personas, scandals involving the founder may not remain personal, they may be perceived as brand failures. In the broader literature, brand scandals have been widely studied and are known to lead to trust erosion, declines in purchase intention and long-term reputational harm (Dawar & Pillutla, 2000; Huber et al. 2010; Guèvremont & Grohmann, 2018). Particularly damaging are value-based scandals, which involve ethical or moral violations that contradict a brand's perceived character (Borah & Tellis, 2016; Dutta & Pullig, 2011; Soltani et al. 2024).

Despite extensive research on brand scandals (Dawar & Pillutla, 2000; Dutta & Pullig, 2011; Coombs, 2007; Cleeren et al. 2013; Guèvremont & Grohmann, 2018; Huber et al. 2010), there is a lack of research in how scandals affect brands when the scandal originates from the founder. While prior studies have examined individuals as brands and explored the branding of public figures (Astner & Gaddefors, 2025; Eagar et al. 2022; Eagar & Dann, 2016; Dion & Arnould, 2016), they rarely address what happens when these individuals are the subject of controversy. Specifically, there remains a significant gap in understanding the complexities of founder-brand entanglement, where the founder serves not only as the creator but also as the public face of the brand, and how this dynamic shapes consumer responses during a scandal. The risks that emerge when the founder and brand are perceived as inseparable remain underexplored, particularly in relation to how consumers interpret the brand image in the aftermath.

By drawing on research on brand image, brand scandals, reputation, founder identity and related concepts, this study seeks to contribute to a deeper understanding of the double-edged nature of a founder's identity being closely tied to the brand, particularly when scandal strikes.

1.1.1 The Scandal - Djerf Avenue

In mid-December 2024, Swedish media uncovered a workplace scandal involving 27-year-old influencer Matilda Djerf and her fashion brand Djerf Avenue. A Swedish newspaper, Aftonbladet, released an investigative report (with a documentary segment) featuring testimonies from 11 anonymous current and former Djerf Avenue employees (Upton-Clark, 2024; Ekström, 2024). The report alleged that Matilda Djerf had created a

“toxic” office culture “filled with fear and psychological pressure”. A former employee stated, “Every day there is psychological terror in that office. It’s by far the worst workplace I’ve ever been at” (Ekström, 2024), emphasizing the emotionally harmful atmosphere described by several staff members. Employees described a degrading work environment with bullying and public scoldings, saying they suffered panic attacks, insomnia, and came home in tears most days (Ekström, 2024). These allegations quickly spread beyond Sweden, with major outlets like the BBC and the Associated Press picking up the story, giving it international coverage (Acheson, 2024; Hadero, 2024). By late December, the scandal was making headlines worldwide and tracking attention in fashion-industry discussions.

Former staff members painted a terrible picture of Matilda Djerf’s leadership. They accused her of bullying and intimidation, one ex-employee said Matilda Djerf would “yell at us, call us names,” losing her temper over minor issues (for instance, if “there was no coffee,” if someone sat in the “wrong” seat, or if her lunch wasn’t heated) (Upton-Clark, 2024). One of the more widely reported allegations involved Matilda Djerf reserving a private office toilet for herself and a few “favorite” employees. According to the report, a taped sign reading “Please do not use!!” marked this bathroom, when the sign fell off and an unwitting staffer used the toilet, another employee was allegedly made to scrub it clean before Matilda Djerf would enter (Ekström, 2024). Other testimony struck at the core of the brand’s inclusive image. Matilda Djerf, whose clothing line advertises sizes XXS to 4XL, was reported to have disparaged a plus-size model’s photos from a campaign. She allegedly demanded a reshoot, saying “she looks so fucking fat in these clothes we can’t show it” (Ekström, 2024). Staff members claimed such fatphobic and demeaning remarks contradicted Djerf Avenue’s public ethos of body positivity, kindness, and respect. The Aftonbladet investigation showed employees speaking out (their identities concealed) about a climate of favoritism, anxiety, and “psychological terror” under Djerf’s management (Ekström, 2024).

1.2 Aim and Purpose

The aim of this study is to examine how scandals involving founders influence consumer perceptions of the brand image, particularly in cases where the founder’s identity is strongly intertwined with the brand, a dynamic we refer to as founder-brand entanglement. In doing

so, the study offers a deeper understanding of the risks and complexities that arise when founder identity and brand image are closely linked in the context of a scandal.

As consumers increasingly engage with brands through the individuals who represent them, and request brand personalization and CEO visibility, founder-related controversies deserve closer examination. While prior research has extensively explored the impact of brand scandals in general, limited attention has been given to scandals that originate from the founder, especially when the founder also functions as a symbolic representation of the brand. This research seeks to bridge that gap by investigating how the close alignment between a founder's personal identity and the brand may shape consumer responses in the wake of a scandal.

We ask, how do scandals involving founders affect consumer perceptions of brand image in cases of strong founder-brand entanglement?

To explore this in context, we will focus on the contemporary case Djerf Avenue, a brand where the founder plays a central role in the brand's public image and has been subject to public controversy.

1.3 Delimitations

This study focuses on the impact of founder-related scandals on consumer perceptions of brand image, specifically in cases where the founder's identity is closely tied to the brand. While brand scandals can originate from various sources, such as product failures or corporate misconduct, this study deliberately limits its scope to scandals where the founder is the central figure in the controversy. This focus allows for a more in-depth exploration of the reputational risks that arise when the founder embodies the brand and its values.

The study is further delimited to the case Djerf Avenue. This brand was selected because its founder plays a visible and symbolic role in the brand narrative and has recently been involved in public controversies. Although the findings may not be generalizable to all types of brands or industries, this approach enables a contextualized understanding of the phenomenon within the fashion sector. Furthermore, Djerf Avenue operates in business-to-consumer (B2C) markets, which aligns with the study's focus on consumer

perceptions, as the research aims to explore how individual consumers interpret and respond to founder-related scandals.

In terms of geographic and cultural scope, the study centers on consumers based in Sweden, acknowledging that brand perception and responses to scandal may vary across cultural contexts. Additionally, the research focuses on young consumers aged 18–25, as this represents Djerf Avenues target group (Jones, 2023). This group is further known to be highly engaged with public personas and particularly responsive to branding that is perceived as personal (Khanam & Hossain, 2022; Stitch, 2021; Patil & Gujanal, 2023).

Lastly, the study explores consumer perceptions, rather than media framing or company responses to scandal. As such, it does not aim to evaluate corporate crisis management strategies, but rather seeks to understand how consumers interpret and emotionally respond to scandals involving a founder figure. To gain these nuanced insights, a qualitative approach was chosen over a quantitative one, as it allows for deeper exploration of individual meanings, emotional reactions and subjective interpretations that may not be captured through standardized survey measures.

1.4 Outline of the Thesis

Chapter one introduces the research topic, explains the background and relevance of studying scandals involving founders and presents the research aim, question, purpose, and delimitations of the study. The second chapter provides a review of the relevant literature, including research on brand image and related concepts, brand scandals, brand reputation, founder identity, branding of individuals and CEO Activism, highlighting existing knowledge on each of these domains. This is followed by a literature summary, positioning our thesis in the context of previous research and highlighting the research gap. Chapter three outlines the research approach, research design, data collection and data analysis. It also discusses ethical considerations and the quality criteria and limitations of the study. Chapter four presents and analyzes the empirical findings from the consumer interviews. This chapter identifies five key themes, summarizes participant insights, focusing on how consumers perceive the brand image in response to the scandal involving Djerf Avenue's founder. Chapter five discusses the findings from the empirical analysis, while also comparing and critically challenging

previous research. Chapter six concludes the thesis by summarizing the main findings, offering new perspectives on founder-brand entanglement in times of scandal and reflecting on the theoretical contributions and managerial implications of the results. It also provides suggestions for future research, based on the study's findings and limitations.

2. Literature Review

This chapter reviews previous research related to brand image, brand scandals, brand reputation, founder identity, branding of individuals and CEO activism. It synthesizes key theories and concepts that inform the study and identifies gaps in the literature. The review provides the theoretical foundation for the discussion.

2.1 Brand Image

Understanding brand image is central to this study, as it captures how consumers mentally represent a brand. In their classic article, Gardner & Levy (1955) introduced the idea that a brand may possess an overarching character or personality, an insight that would become central to the understanding of brand image. They suggested that this perceived personality could be more meaningful to consumers than the product's technical features alone. Other classic definitions include Aaker's (1992) description of brand image as a "set of associations, usually organized in some meaningful way". Keller (1993) similarly describes brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory". These brand associations can be grouped into three main categories: *attributes*, *benefits*, and *attitudes*. Together, these elements shape the brand image in the consumer's memory.

Brand attributes refer to the characteristics and associations consumers attach to a product or service, including both tangible features and more symbolic qualities. These attributes can be product-related (e.g. functionality, ingredients) or non-product-related (e.g. price, packaging, usage context and user imagery (what type of person uses the product or service)) (Keller, 1993). *Benefits* refer to the personal value or advantages consumers believe a product or service will provide. They can be functional (e.g. solving a problem or fulfilling a basic need), experiential (e.g. creating sensory or emotional enjoyment), or symbolic (e.g. expressing identity or gaining social approval). These benefits reflect why consumers choose and connect with certain brands beyond just product features. *Brand attitudes* refer to consumers' overall evaluations of a brand and are often shaped by their beliefs about the brand's attributes and benefits. These evaluations influence consumer behavior, such as brand preference and choice, and can be based on both rational assessments and more intuitive, emotional reactions (Keller, 1993).

Thus, the brand image is composed of various types of associations, including product-related or non-product-related *attributes*, functional, experiential, and symbolic *benefits*, as well as overall brand *attitudes*. These associations differ in terms of their favorability, strength, and uniqueness. A positive brand image, in Keller's customer-based brand equity model, means consumers hold strong, favorable, and unique associations about the brand (Keller, 1993).

Aaker (1992), explained brand image as one of the core assets that add value to a brand. Thus, brand image can be viewed not just as a marketing outcome but also a strategic asset. Furthermore, Keller (1993) and Aaker (1992) established brand image as a core element of brand equity, emphasizing that cultivating positive brand associations, and thereby a strong brand image, is essential to building brand equity. Zhang (2015) similarly states that brand image is a primary factor shaping brand equity, representing consumers' overall perceptions and emotional responses toward a brand, which in turn influence their behavior. Biel (1992) also emphasizes the tie between brand image and brand equity. He defined brand image as a "cluster of attributes and associations that consumers connect to the brand name", of which the associations can be both "hard" and "soft" (Biel, 1992). "Hard" associations referred to perception of tangible or physical attributes, in contrast to "softer" or emotional attributes. Furthermore, he argued that brand image consists of three components, or three subimages; the image of the maker, or the corporate image, the image of the user and the image of the product or service itself. Among these, the relative contribution of each component can differ from brand to brand (Biel, 1992). Thus, these classic perspectives collectively emphasize that brand image is essentially the consumer's perception of a brand, shaped by a constellation of associations.

A growing body of literature highlights that a strong, positive brand image is closely associated with a range of favorable consumer outcomes, including more positive brand attitudes, higher satisfaction, increased loyalty, and even resilience during times of crisis. When consumers hold a favorable brand image, they are more likely to evaluate the brand positively (Keller, 1993; Nandan, 2005). For instance, Tahir et al. (2024) demonstrate that brands with strong images enjoy elevated levels of customer satisfaction and loyalty. Notably, an authentic brand image has also been found to act as a buffer in the face of brand crises, reducing the severity of consumer backlash (Guévremont & Grohmann, 2018).

2.1.1 Related Concepts

Another important insight from foundational work is the distinction between brand image and other related concepts. In addition to the previously mentioned concept of brand equity, brand image is often discussed in contrast to brand personality and brand identity. A brand's image includes various facets such as brand personality (Biel, 1992), which refers specifically to the human traits associated with a brand. Aaker's (1997) research further develops this concept by introducing a five-dimension scale (Sincerity, Excitement, Competence, Sophistication, Ruggedness) to categorize the human-like characteristics of brands.

Furthermore, it's important to distinguish brand image and brand identity in theory. Brand identity is company-driven, reflecting what the organization intends to project in terms of positioning, values and personality. In contrast, brand image is shaped by consumer perceptions and essentially consists of the beliefs held about the brand (Biel, 1992; Keller 1993). While closely linked, brand identity and brand image are distinct concepts, however, both crucial to building strong brands. Aligning brand identity with brand image can strengthen brand loyalty by fostering consistency between what a brand communicates and how it is perceived. However, when brands fail to maintain consistency between their image and identity, it can lead to consumer confusion (Nandan, 2005).

2.2 Brand Scandals

While brand image reflects how consumers perceive and emotionally relate to a brand, it can be significantly disrupted when the brand becomes the subject of a scandal. Brand crises and scandals have long been recognized as critical threats to a company's reputation and stakeholder perceptions (Coombs, 2007; Huber et al. 2010). Dawar and Pillutla (2000) define brand scandals as sudden negative occurrences or reports connected to a brand or a product. Brand scandals have further been defined as sudden, unexpected, and highly negative events that can erode consumer trust and confidence in a brand, ultimately hurting the company's credibility (Dawar & Lei, 2009). Moreover, brand crises can be caused by performance issues, like faulty or dangerous products that hurt the brand's ability to deliver on its promises, or by value-based issues, where the brand's ethics or beliefs are called into question. Performance-related crises typically involve product flaws that undermine the

brand's perceived ability to provide functional value, for instance, the discovery of lead in Mattel toys. In contrast, values-related crises are not directly tied to the product itself but stem from ethical or social concerns linked to the brand's values, such as Nike's alleged involvement in child labor practices (Dutta & Pullig, 2011).

Extensive research in marketing and consumer psychology show that negative publicity can severely damage a brand's image in the eyes of consumers (Ahluwalia et al. 2000; Dawar & Pillutla, 2000; Huber et al, 2010). Scandals can erode brand equity (Dawar & Pillutla, 2000; Hegner et al. 2014) and violate consumers' expectations, often triggering a cascade of negative consequences for the brand's reputation and overall performance (Guèvremont & Grohmann, 2017). Moreover, research shows that consumers often perceive brands more negatively and report lower trust following a scandal (Huber et al. 2010). Similarly, Guevremont & Grohmann (2018) showcases that when a brand fails to meet expected standards, brand transgressions can undermine consumers' sense of the brand as a trustworthy and reliable relationship partner. As a result, consumers tend to distance themselves, leading to decreased purchase intentions and loyalty (Huber et al. 2010; Thomas & Fowler, 2016). This response aligns with the well-documented negativity bias in consumer behavior, whereby negative information carries greater weight than positive, often prompting consumers to avoid brands associated with controversy (Skowronski & Carlston, 1989; Ahluwalia et al. 2000).

While scandals bring several negative consequences, prior research suggests that strong brand commitment can reduce the impact of negative information, as consumers who have developed a close relationship with a brand are more likely to dismiss such information and respond with greater forgiveness (Aaker et al. 2004; Ahluwalia et al. 2000, 2001; Hegner et al. 2014). In other words, loyal fans might stick with the brand despite the scandal, due to their existing positive bias.

Moreover, the nature of the crisis has been shown to influence the specific negative outcomes that follow. While performance-related scandals tend to undermine confidence in a brand's practical benefits, value-based scandals often damage its symbolic and ethical credibility. Despite their different origins, both scandal types can negatively affect overall brand attitudes and consumer choice (Pullig et al. 2006). Notably, research suggests that value-related scandals tend to trigger stronger emotional responses and reputational damage, especially in the age of social media. For instance, value-related scandals receive higher traction on

platforms like Twitter, and messages about such incidents are more likely to be shared. Thus, social media adds volatility and unpredictability to how consumers respond, adding complexity for brands aiming to protect their reputations (Borah & Tellis, 2016; Soltani et al. 2023).

2.3 The Role of Brand Reputation

Given the potential damage brand scandals can inflict on the brand image, it is essential to understand the role of brand reputation in either amplifying or mitigating consumer responses to such crises. Brand reputation can be thought of as an aggregation of stakeholders' evaluations of a company over time (Wartick, 1992; Fombrun & Van Riel, 2004). The reputation is central to the success of brands and their overall business, as it not only supports the performance of products but also contributes to higher market valuations, stronger financial outcomes and lower capital costs (Herbig & Milewicz, 1993; Smith et al. 2010). Brand reputation plays a critical role in shaping how consumers interpret and respond to a scandal (Guèvremont & Grohmann, 2018). When a scandal occurs, it can disrupt consumer expectations and harm the brand's reputation (Coombs, 2007; Huber et al. 2010). Brown & Dacin (1997) outlined corporate reputation as comprising both *corporate ability* and *corporate social responsibility*. Scandals, particularly ethical ones, often attack the latter.

However, a strong positive reputation is often viewed as a buffer that can protect the brand in the case of a scandal. Indeed, studies have found that companies with good reputations tend to fare better in crises (Ahluwalia et al, 2000, Coombs & Holladay, 2006; Dawar and Pillutla, 2000). For example, Coombs and Holladay (2006) argue that a favorable prior reputation creates a "halo effect", that leads stakeholders to give the firm the benefit of the doubt and act as a shield in a scandal. Consumers may be more willing to forgive or discount negative information if the brand has a long history of positive behavior or quality. This notion is echoed in Dawar and Pillutla's (2000) findings that strong brand equity and trusted relationships can reduce the negative effects of a product-harm crisis. Furthermore, as mentioned in 2.1, brand authenticity plays an important mitigating role. Guèvremont & Grohmann (2018) found that authentic brands suffered less severe consumer backlash in the wake of scandals. Still, authenticity does not eliminate harm entirely. Even high-authenticity brands were negatively impacted, indicating the limits of reputation as protection.

On the other hand, a strong reputation can elevate expectations to such a degree that any failure may trigger a more intense backlash. Rhee & Haunschild (2006) demonstrated that highly reputable firms sometimes suffer greater backlash when scandals occur, due to elevated expectations. This suggests that reputation's effect is two-sided. In line with this, consumers who strongly identify with a brand may react even more negatively when a scandal involves a perceived betrayal of values, particularly when those values feel personally meaningful. For instance, one study noted that highly committed consumers became less tolerant of a brand's transgression when the transgression violated values important to them (e.g. loyal female customers reacted very negatively to a brand scandal involving discrimination against women) (Trump, 2014).

Furthermore, Dawar and Lei (2009) research on crisis communication and brand recovery strategies highlights that consumer responses to scandals vary depending on the relevance of the scandal and the brand's pre-existing associations. The impact of a crisis is not only influenced by its relevance but also by where it occurs in the brand association hierarchy. The same type of scandal can affect brands differently based on their positioning. For example, a safety-related crisis could severely damage Volvo, known for safety, but have less impact on Porsche, where performance is the key attribute (Dawar & Lei, 2009).

2.4 Founder Identity, Branding of Individuals and CEO Activism

2.4.1 Founder Identity

Since this study focuses on scandals involving founders, it is crucial to explore how founder identity, alongside related constructs like branding of individuals and CEO activism, shapes consumer perceptions of the brand. Many modern brands are indelibly linked to their founders. The founder's personality, values, and actions, hereby referred to as *founder identity*, becomes a core part of the brand's identity in consumers' minds (Astner & Gaddefors, 2025; Hamby et al. 2019). The founder plays a central role in the social process of shaping a firm and its corporate brand. Researchers such as Wasserman (2003) have underscored the deep connection founders often have with their companies, while Cardon et al. (2005) emphasize the importance of emotional bonds and identity alignment between the founder and the firm.

The literature has previously explored the concepts of artist brands (Eagar et al. 2022), human brands (Eagar & Dann, 2016), persona-fied brands (Dion & Arnould, 2016) and person-brands (Fournier & Eckhardt, 2019), some of which we expand on in 2.4.2. Together, these concepts highlight how personal identities can be constructed and positioned as marketable brands, whereas our focus lies on how a corporate brand becomes intertwined with the founder's identity.

From a theoretical standpoint, the linkage between the founder and the brand can be very powerful, the founder's story and identity imbue the brand with meaning, differentiate it in the market, and create a human connection with consumers. Research in small business branding shows that a founder's personal identity can profoundly influence the vision, culture, and image of a firm, thereby shaping the corporate brand from the very start (Melewar & Karaosmanoglu, 2006). This behavior aligns with the findings of Centeno et al. (2019), who demonstrate that SME owner-managers tend to humanize their brands intuitively, often without conscious intent. The brand is perceived as an extension or mirror of their own identity. This can be described as the "intricate entanglement of founder identity and brand". Moreover, as corporate brands develop over time, they often diverge from their founders' original identities as a result of internal and external stakeholder influence (Astner & Gaddefors, 2025).

Founders often shape brand identity by embedding their personal values and origin stories into the brand narrative, creating alignment between who they are and what the brand represents. This alignment can strengthen perceptions of brand authenticity and credibility, as consumers sense a person behind the brand (Hamby et al. 2019). This idea is also central in Gerhardt's (2022) research, where he argues that "people buy from people." He emphasizes that when consumers connect with the founder on a personal level, they are more likely to trust and support the brand. Furthermore, research shows that founder stories rooted in self-transcendent values, such as a desire to help others or serve a greater purpose, are particularly effective in enhancing brand authenticity (Hamby et al. 2019). These narratives resonate more strongly when consumers perceive the founder's motivations as sincere and morally grounded, a process influenced by how well the story aligns with the listener's own values and expectations (Hamby et al. 2019).

2.4.2 Branding of Individuals

As personalization and personal branding become increasingly central for brands and founders, it is relevant to explore key concepts within the broader field of branding of individuals. Recent trends have placed human brands at the forefront, as the rise of social media has fundamentally reshaped personal branding. Social media platforms have enabled ordinary individuals to cultivate large audiences and evolve into widely recognized human brands, often beginning with little to no public profile (Moulard & Pounders, 2020). On YouTube, personal branding can evolve into a two-way social connection, shifting traditional business-to-consumer and brand relationships from transactional to more personal and relational (Chen, 2013).

Personal branding refers to the strategic process of shaping and marketing oneself as a brand by communicating a distinct image built on unique personal traits and a consistent value promise to a target audience. It involves the intentional communication of one's values, skills, and personality to achieve recognition and influence (Gorbatov et al. 2018). Effectively executed, personal branding can be used as a tool for both individual and career advancement, with tangible benefits such as reflexivity, credibility and visibility (Gorbatov et al, 2018; Khedher, 2015). However, personal brands are also vulnerable to negative experiences, controversies, or inconsistent messaging, which can weaken personal brand equity over time. Maintaining a consistent and positive image is therefore essential to avoid trust erosion or personal brand crises (Waller, 2020).

A closely related concept is person-brands, though it differs in important ways. Personal brands and human brands are situated on one end of the continuum (Osorio et al. 2020), typically referring to individuals who use branding strategies to enhance their professional image and career (Gorbatov et al. 2018). In contrast, person-brands refers to brands that are also people (Fournier & Eckhardt, 2019). Recent research highlights the complexity of person-brands, or brands that are also real people, by emphasizing their inherently dual nature. Fournier and Eckhardt (2019) conceptualize person-brands as “two-bodied” entities, where the human (mortal, emotional) and brand (constructed, managed) identities are inseparably linked. This interdependence introduces unique risks, as personal traits like mortality, hubris, unpredictability, and social embeddedness can disrupt brand balance or consistency. However, when managed well, these same qualities can enhance authenticity and intimacy.

2.4.3 CEO Activism

Given the increasing visibility and moral expectations placed on founders and CEOs, it is essential to understand how their public actions, particularly those beyond core business activities, shape stakeholder perceptions. There is a growing expectation for CEOs to extend their traditional responsibilities by actively engaging with sociopolitical issues (Fezzey et al. 2025). This phenomenon, termed CEO activism, is defined by Hambrick and Womack (2019) as “a business leader’s personal and public expression of a stance on some matter of current social or political debate, with the primary aims of visibly weighing in on the issue and influencing opinions in the espoused direction.” Chatterji and Womack (2019) similarly define CEO activism as taking a public stance on an issue, but emphasize that it is typically unrelated to the company’s core business.

CEO activism has become increasingly common in today’s business environment (Durney et al. 2025; Fezzey et al. 2025; Hambrick & Womack, 2019; Mkrtchyan et al. 2024; Womack et al. 2022), with CEOs attracting significant public attention through their engagement in social and political issues (Branicki et al. 2020). However, the growing tension between shareholder expectations and the demands of broader stakeholder groups, such as consumers, has created a complex landscape in which choosing to engage, remain silent, or misstep in CEO activism can each risk alienating segments of stakeholders and damaging both the CEO’s and the firm’s reputation (Fezzey et al. 2025). Although CEO activism may appeal to some customers, it risks distancing others who hold opposing views (Acharya et al. 2024; Chatterji & Toffel, 2019). CEO activism may also jeopardize a firm’s political capital, potentially severing ties with policymakers and reducing its impact in political matters (Bedendo & Siming, 2020).

Furthermore, when a CEO’s public stance reflects stakeholder expectations and aligns with the company’s core values, it can generate a range of positive effects. Studies indicate that such alignment may foster stronger customer loyalty, enhance employee engagement, and increase confidence among investors (Chatterji & Toffel, 2019; Mkrtchyan et al. 2024). However, CEO activism is a diverse and powerful phenomenon, and it is crucial to question the motives and effects of such activism rather than automatically positioning CEOs as moral leaders (Branicki et al. 2020). Authentic CEO activism, exemplified by qualities such as sincerity, uniqueness, and consistency, has further been shown to enhance trust in the organization, particularly among younger consumers (Jin et al. 2024).

2.5 Literature Summary

Brands are widely recognized as strategic assets, with brand image serving as a core component of brand equity (Aaker, 1992; Keller, 1993). A strong brand image, composed of favorable, strong, and unique associations, shapes consumer perceptions, drives loyalty, and protects against negative events (Keller, 1993; Nandan, 2005; Guévremont & Grohmann, 2018). Corporate reputation plays a buffering role in times of crisis, as brands with established positive reputations tend to be more resilient in the face of scandal (Ahluwalia et al, 2000; Coombs & Holladay, 2006; Dawar & Pillutla, 2000). However, this protective effect is not absolute. Research has also highlighted a paradox: high reputations can amplify consumer disappointment when expectations are violated (Rhee & Haunschild, 2006).

Brand scandals, particularly those involving ethical transgressions, pose significant threats to brand reputation, stakeholder perceptions and consumer trust, especially in the age of social media (Borah & Tellis, 2016; Coombs, 2007; Dawar & Lei, 2009; Huber et al. 2010; Soltani et al. 2023). The literature distinguishes between performance-related and values-related crises, both of which can erode brand equity, though in different ways (Dawar & Pillutla, 2000; Dutta & Pullig, 2011; Hegner et al. 2014; Pullig et al. 2006). While strong brand commitment and authenticity can mitigate backlash (Aaker et al. 2004; Ahluwalia et al., 2000, 2001; Guévremont & Grohmann, 2018; Hegner et al. 2014), even well-regarded brands are not immune to reputational damage.

A growing body of research has drawn attention to the increasing prominence of founders as public-facing representatives of their brands. Particularly in entrepreneurial contexts, the founder's identity often becomes intertwined with the corporate brand, shaping its personality, values, and authenticity (Astner & Gaddefors, 2025; Hamby et al. 2019). Founders embed their personal stories and values into the brand, creating a human connection that can enhance credibility and distinctiveness (Gerhardt, 2022; Centeno et al. 2019). This deep alignment, referred to here as *founder-brand entanglement*, can function as a powerful brand-building mechanism. Related phenomena such as CEO activism (Chatterji & Womack, 2019; Hambrick and Womack, 2021) and the branding of individuals (Fournier & Eckhardt, 2019; Gorbatov et al. 2018; Osorio et al. 2020), further highlight the growing intersection of personal identity and brand image, underscoring the need for research on the consequences of founder-brand entanglement in times of crisis.

This entanglement has the potential to introduce unique risks. When the founder becomes the subject of controversy or scandal, the brand may inherit the damage. While founder identity has been explored in relation to brand building and authenticity, its potential to undermine brand image during scandals remains underexplored. In particular, little research has addressed how scandals involving founders may challenge or reshape consumer perceptions of the brand.

This paper seeks to address that gap. By connecting literature on brand scandals, brand reputation, brand image and founder identity, we critically examine the dual nature of founder identity as both an asset and a potential liability. In doing so, we extend existing branding literature by problematizing the assumption that founder alignment strengthens the brand. Instead, we suggest that founder identity can become an Achilles' heel, especially in scandal-prone contexts, calling for a more nuanced understanding of when a founder identity is intertwined with a brand image.

3. Methodology

This chapter outlines the methodological foundation of the study and explains how the research was designed and conducted. It outlines the research approach and design, followed by the data collection and analysis method. The chapter also addresses ethical considerations and discusses the reliability, validity, generalizability and limitations of the study. Together, these elements ensure transparency and rigor in how the research was conducted.

3.1 Research Approach

This study adopted an abductive research approach, which is well-suited for qualitative research that seeks to explain complex and evolving phenomena. Its strength lies in the ability to combine existing theoretical insights with empirical observations, allowing for iterative movement between what is known and what emerges from the data (Bell et al. 2022). This makes it especially relevant for examining how consumers perceive the brand image in the wake of a founder-related scandal, an area where little prior theory exists and important gaps remain. This approach was chosen to accommodate the dual aim of the study: to build on and challenge existing theory concerning brand image, founder identity and brand scandals, while also remaining open to the emergence of new themes grounded in participant experiences. Abductive reasoning supported this aim by allowing us to interpret the data in a flexible way (Easterby-Smith et al. 2021). Instead of testing fixed hypotheses, it allowed us to develop plausible explanations based on what participants said. These explanations could then be used to refine or build on existing theories.

The research process began with a review of prior literature to identify key theoretical concepts and gaps, particularly the lack of research on scandals involving founders as public brand figures. These insights informed the construction of the interview guide and the initial direction of the research. In conducting the analysis, we did not adopt a strictly hypothesis-driven or theory-testing approach. Instead, we applied a combination of inductive and deductive methods. The analysis was partly inductive by allowing unexpected patterns, nuances and interpretations to emerge from the empirical material. However, we also engaged with existing literature when analyzing our findings. By moving iteratively between existing theory and the lived experiences of our participants, the abductive approach supported the

development of nuanced insights into how the close alignment between a founder and a brand affects consumer perceptions of the brand image after a scandal.

The abductive approach thus enabled us to develop a deeper understanding of how consumers perceive brand image when the founder is closely tied to the brand and becomes involved in a scandal. It also supported the refinement of theoretical perspectives on founder-brand entanglement, especially in cases where founder identity and brand image are blurred. By alternating between theory and data, we were able to generate insights that extend beyond existing frameworks, making abductive reasoning a strategic and methodologically coherent choice for this thesis.

3.2 Overview of the Research Design

This study was grounded in a relativist ontology and social constructionist epistemology, which assume that reality is not objectively given but rather co-constructed through social interactions and individual experiences (Easterby-Smith et al. 2021). Accordingly, our research adopted a qualitative research design, which is well-suited to explore consumer perceptions of brand image, in the case of founder-related scandal. Further, since brand image is subjective and resides in the consumer's mind (Išoraitė, 2018), a qualitative and exploratory approach is particularly appropriate for capturing individual perceptions and meanings. The primary aim is to gain a deep understanding of how consumers who had an existing relationship with the brand prior to the scandal perceive its brand image in the aftermath of a founder-related controversy, particularly in cases where the founder serves as the public face or symbol of the brand. The chosen approach aligns with the exploratory nature of the research question, as qualitative methods are particularly effective in capturing the complexity of human experience and the meanings individuals attach to events or phenomena (Bell et al. 2022; Easterby-Smith et al. 2021).

While this study adopted a qualitative design, alternative methodological approaches were considered and evaluated. A quantitative approach, such as surveys, was considered for its potential to capture broader patterns across a larger sample. However, this method was deemed insufficient for the depth of understanding sought, particularly given the subjective nature of brand image. We also considered a formal case study approach, incorporating multiple data sources such as media analysis or company responses. While this could have offered additional perspectives, our primary focus was on consumer perceptions, which are

best explored through direct dialogue. Therefore, in-depth semi-structured interviews were chosen as the most suitable method for capturing the nuanced responses required for answering the research question. This decision aligns with the study's constructionist epistemology and exploratory aim.

To ground the study in a relevant and illustrative context, we drew on a contemporary example: the scandal surrounding the brand Djerf Avenue, a brand that is highly associated with its founder and has been exposed to public criticism or scandal. By centering the interviews on the Djerf Avenue scandal, we enabled a contextual understanding of brand-specific dynamics. In doing so, we treat the event as a case-like example, allowing for an in-depth, situated analysis. Our study employed semi-structured in-depth interviews as the primary data collection method. This technique allowed for flexibility in exploring individual experiences and perceptions, enabling participants to express their thoughts freely while ensuring that key themes related to brand perception and brand image are addressed. A qualitative research design further facilitated the examination of the underlying values and beliefs that inform consumers' interpretations of the scandal and how their views of the brand may have changed as a result of the founder's behavior (Bell et al. 2022).

Abductive reasoning guided our research. Abduction allowed for an iterative movement between data and theory, enabling both the emergence of patterns from the empirical material and the refinement of existing concepts (Easterby-Smith et al. 2021), making it particularly suitable for understanding consumer perceptions and how founder-brand entanglement impacts brand image. By analyzing interview responses, the study aimed to identify recurring insights and findings that challenge prevailing assumptions. This approach deepens the understanding of how young consumers interpret and respond to brand image in the aftermath of a founder-related scandal. This analysis method was appropriate given that existing literature on brand scandals does not fully capture the nuances of consumer responses in cases where the scandal is tied to the founder's personal identity and public role within the brand.

3.3 Data collection

3.3.1 Sampling and Selection of Participants

The study included 15 participants between the ages of 19 and 25. The sample was deliberately selected to reflect the brand's existing target audience. Djerf Avenue primarily markets to young adults, with a core demographic between 18 and 24 years old (Jones, 2023). Moreover, the brand's consumer base is predominantly female, with approximately 74% of followers identifying as women (Jones, 2023). In line with this, all participants in our study identified as female. The age and gender composition of the sample was therefore not incidental but strategically aligned with the demographic profile of Djerf Avenue's existing customer base. Moreover, the age group was chosen because younger consumers are particularly receptive to celebrity driven branding and are more likely to form strong parasocial relationships with celebrities and public brand figures, making this group especially relevant for understanding how a founder-related scandal impacts brand perception (Khanam & Hossain, 2022; Stitch, 2021). Lastly, all participants were Swedes, which was a deliberate choice given that Djerf Avenue is a Swedish brand with a strong national presence and public visibility.

In line with qualitative research, our interview respondents were chosen through purposive sampling, which focuses on selecting participants that fulfill specific criteria connected to the research question (Bell et al. 2022). In this study, respondents were chosen based on the criterion that they had had knowledge of the Djerf Avenue brand, prior to the scandals and that they were familiar with the events surrounding the controversy. This ensured that participants had sufficient knowledge of the brand and had the necessary context to contribute meaningfully to the research aim. At the beginning of the research, we selected participants based on predefined criteria, and arranged interview dates with them accordingly. No additional participants were included during the process, aligning with a fixed purposive sampling strategy, where the sample is determined in advance (Bell et al. 2022). Participants were contacted via SMS and selected from our personal network, including friends and family, who met the outlined criteria. While this convenience sampling approach prioritizes ease of access (Easterby-Smith et al. 2021), we ensured relevance by combining it with purposive sampling. Though this method may limit statistical generalizability, it enabled us to

gather insights from informed respondents within the time constraints, ensuring data quality and relevance.

3.3.2 Interviews

Consistent with our qualitative research design, we conducted semi-structured in-depth interviews to explore consumer perceptions of brand image in the aftermath of a founder-related scandal. This method enabled the exploration of perceptions, opinions and experiences, with the interviews offering insights into how participants viewed the brand and its' founder before and after the controversy (Bell et al. 2022). The use of semi-structured in-depth interviews allowed for flexibility in the order of questions, facilitating more open and detailed responses, as well as the opportunity to ask follow-up questions (Easterby-Smith et al. 2021). Furthermore, open-ended questions were employed to encourage more in-depth discussion. This approach aimed to foster detailed and expansive responses, allowing participants to express their views without being constrained by the wording of the questions (Bell et al. 2022).

In designing and conducting our interviews, we were guided by Alvesson's (2003) reflexive pragmatism approach, which emphasizes awareness of the complexities, ambiguities and co-constructed nature of interview data. Reflexivity in this context involved remaining critically aware of our own assumptions and interpretations, while remaining open to alternative meanings and perspectives (Alvesson, 2003). This theoretical lens informed both the structure of our interviews and our interpretive approach, reinforcing the importance of openness, flexibility and dialogue throughout the process. To further elicit the deeper values underlying participants' perspectives, we employed the laddering-up technique during the interviews (Easterby-Smith et al. 2021). By asking "why" questions where appropriate, we were able to uncover the motivations, beliefs and values that shaped participants' perceptions of Djerf Avenue after the scandal. This technique allowed us to move beyond surface-level opinions and gain a deeper understanding into the drivers influencing brand image.

We conducted the interviews with careful attention to both participant selection and practical execution. 15 participants from our own networks were selected based on the predetermined criteria and contacted via SMS to arrange interview dates. The interviews were conducted via Zoom, ensuring real-time interaction despite participants being in different locations. This

approach aligned with synchronous data collection, ensuring real-time interaction between interviewer and respondent. Synchronous data collection is particularly effective when researchers seek to understand the details of a situation and capture the real-time chronology of events or unfolding processes. Additionally, the digital format provided flexibility, allowing for greater adaptability to the respondents' schedules compared to in-person interviews (Easterby-Smith et al. 2021). Digital interviews can further effectively simulate in-person interviews, although they may also present certain challenges (Bell et al. 2022). In this study, technical disruptions occurred due to varying internet connections, which occasionally interrupted the conversation. As a result, some responses had to be repeated, and the flow of the interviews was affected at certain points.

Interviewee:	Age:	Nationality:
Interviewee 1	Age: 25	Swedish
Interviewee 2	Age: 24	Swedish
Interviewee 3	Age: 24	Swedish
Interviewee 4	Age: 25	Swedish
Interviewee 5	Age: 23	Swedish
Interviewee 6	Age: 22	Swedish
Interviewee 7	Age: 19	Swedish
Interviewee 8	Age: 23	Swedish
Interviewee 9	Age: 25	Swedish
Interviewee 10	Age: 24	Swedish
Interviewee 11	Age: 21	Swedish
Interviewee 12	Age: 23	Swedish

Interviewee 13	Age: 24	Swedish
Interviewee 14	Age: 23	Swedish
Interviewee 15	Age: 23	Swedish

Table 1 - Interview Respondents

3.3.3 Interview Guide

The interview guide was a central tool in our qualitative data collection process, serving as a structured yet flexible framework to explore how consumers interpret brand image following a founder-related scandal. The development of the interview guide was inspired by existing literature on brand scandals, brand reputation, founder identity and brand image. By identifying gaps in previous research, we were able to formulate relevant questions that would allow us to explore underexamined aspects of consumer responses in cases of strong founder-brand alignment. In addition, the guide was developed with consideration of the case context surrounding Djerf Avenue, which served as a concrete example through which the broader phenomenon could be explored. The guide was designed to ensure consistency across interviews while allowing for new perspectives and in-depth reflections.

The interview questions were developed to explore how consumers interpret and evaluate brand image in the context of a founder-related scandal. The questions were structured around stages that reflect the consumer's evolving understanding of the brand, before and after the controversy. This to understand if and how consumer perceptions of the brand image shifted after the scandal. Open-ended questions were formulated to encourage participants to share personal interpretations, perceptions and underlying values.

The flexible format allowed us to adjust the flow in response to each participant, creating a natural conversational atmosphere that encouraged more in-depth exploration of key themes (Bell et al. 2022). The approach allowed for the gathering of varied perspectives and observations. The guide was reviewed internally and pilot-tested to ensure clarity and relevance, and adjustments were made to refine wording and structure. The interview guide contributed to the dependability and overall credibility of the study.

The interview questions are provided in Appendix A.

3.4 Data Analysis

In the analysis following our data collection, we sought to identify patterns within the collected data, allowing underlying themes and insights to emerge. While many patterns arose inductively from the interview data, our analysis also engaged with existing theory to refine and challenge prior assumptions, in line with an abductive approach (Easterby-Smith et al. 2021). We followed the “sorting, reducing, arguing” structure proposed by Rennstam and Wästerfors (2018). This approach provided us with a clear analytical framework, which enabled us to recognize patterns and themes, while allowing for flexibility and openness in interpreting the data (Bell et al. 2022), which suited our exploratory approach.

As Alvesson's (2003) reflexive pragmatism approach guided the interview process, utilizing an analysis method that also allowed for flexibility and recognized that interviews depend on human interaction and the analyst's own perceptions and interpretations was important for our research. Therefore, the framework by Rennstam & Wästerfors was complemented by Alvesson's (2011) critical perspective on handling empirical data, which emphasizes challenging dominant perspectives. Throughout the analysis, we aimed to not only sort, reduce and argue around the empirical data, but also to identify themes that challenge existing knowledge within brand management literature. Thus, our analysis process involved drawing on existing literature to interpret our findings, while also remaining open to insights that could challenge or extend previous research.

Rennstam & Wästerfors (2018) highlight three key challenges in qualitative research: chaos, representation, and authority. To address these, they propose three core analytical activities; sorting, reducing, and arguing. In line with the framework, the analysis process was structured according to these three stages. In the initial phase of analysis, we closely engaged with the data from the interviews to develop a thorough understanding of recurring elements. By closely examining each respondent's interview and extracting quotes we developed a comprehensive understanding of the collected data. We described the extracted quotes using brief phrases. The codes were not identified based on a predetermined plan, rather, they were

selected based on recurring content that stood out as particularly relevant within the research context, reflecting our aim to uncover new and meaningful insights.

From these codes, patterns began to emerge, leading us to organize the material by identifying recurring codes and clustering them into categories. This marked the beginning of the thematic sorting process, as described by Rennstam and Wästerfors (2018). After the initial sorting and clustering, we went over the material several times, making sure to be attentive and critical to our own expectations or perceptions, which at times led to codes being reorganized into new categories. Viewing this as an interpretive process, we acknowledged that categories emerged through engagement with the data rather than existing independently (Rennstam & Wästerfors, 2018).

Following this initial stage, we refined the clustered codes into broader themes to manage the volume of material and prioritize the most prominent and analytically valuable insights. For instance the following cluster of codes; *do not want to work there, do not want to support, personality and values transferred to brand, vulnerable connection, complicated crisis management* and *emotional dimension of founder identity*, was grouped into the broader theme: *founder identity as power and risk*. Throughout this process, we consciously and consistently challenged our underlying assumptions when selecting key themes. We recognized the active role we, as analysts, play in shaping the representation of the empirical material (Rennstam & Wästerfors, 2018). In the reduction stage, we moved from an initial set of approximately 13 preliminary themes to a more focused set of 5: strong brand-founder connection, betrayal of brand and founder values, authenticity vs. performance, founder identity as power and risk and reputation and image spillover. The reduction process was based on two decisions. First, we considered which themes were most relevant for the research aim. Second, we made a deliberate decision to prioritize themes that not only were relevant for our research but also allowed us to critically engage with, and in some cases, challenge established theoretical assumptions within the existing literature. This approach was inspired by Alvesson and Sandberg's (2011) call for problematizing research and was intended to contribute to theory development rather than theory affirmation. At this stage, we also revisited the identified themes multiple times to ensure that the selected material best represented the most valuable and relevant insights.

Finally, beyond condensing the material and organizing it in themes throughout the sorting and reducing stages, we engaged in arguing, the last step in the framework by Rennstam & Wästerfors (2018). In the arguing stage, we theorized the material, or continued to define what it was about and what it could say, based on the categorisations made throughout the analysis process (Rennstam & Wästerfors, 2018). During this stage, we compared our empirical data to prior knowledge and assumptions within the brand management literature, specifically looking at collected earlier research within brand image, brand reputation and founder identity. Our findings confirmed aspects of existing knowledge within the literature, yet also revealed themes that challenged dominant perspectives. This combination allowed us to develop a fresh analytical perspective. By following this structured yet flexible process, we ensured a rigorous and transparent approach to qualitative data analysis, while maintaining its exploratory nature and making sure to question underlying assumptions.

3.5 Ethical Considerations

Ensuring ethical rigor is essential in qualitative research, particularly when exploring consumer perceptions and emotional responses to a sensitive topic, such as brand scandals. In this study, ethical considerations were important given the personal and potentially emotional nature of discussing a brand that participants may have previously supported or identified with, especially when the scandal involves a founder figure whom they may have admired or followed closely. This study adheres to ethical guidelines as outlined by Bell and Bryman (2007), ensuring principles such as transparency, confidentiality and informed consent (Easterby-Smith et al. 2021).

Prior to the interviews, participants were given detailed information about the study's purpose, their rights as participants and how their data would be handled. Informed consent was obtained prior to data collection, and participants were informed that their involvement was voluntary and that they could withdraw from the study at any point without providing a reason. Furthermore, confidentiality was maintained throughout the research process. All personal identifiers were removed or anonymized and interview data was securely stored. These measures align with ethical guidelines outlined by Bell and Bryman (2007) and Easterby-Smith et al. (2021), ensuring the protection and privacy of all participants. Given the potential sensitivity of discussing brand scandals, particular care was taken to ensure that

participants felt comfortable expressing their views. Participants were reminded that there were no right or wrong answers and they were encouraged to speak freely about their thoughts and feelings.

In this study, we chose not to anonymize the brand Djerf Avenue or its founder, Matilda Djerf. This decision was grounded in both methodological and ethical considerations. Since the scandal is already public and widely documented in media and on social platforms, our research does not reveal any new information regarding the scandal or the founder, but rather analyzes consumer perceptions of an existing and publicly discussed scandal. Considering the high level of public recognition surrounding the scandal, anonymizing the company and its founder would likely have minimal impact and may even appear unnecessary.

Moreover, anonymizing the brand and founder in this context would risk undermining the transparency, clarity and contextual grounding of the study. The specific nature of the brand's identity, its values and its communication style are integral to understanding the dynamics of founder-brand entanglement. Removing this context could diminish the analytical depth of the study and hinder the ability to draw meaningful conclusions about how scandals involving highly visible founders affect brand image. Therefore, we argue that naming the brand and founder contributes to the relevance of our research.

By upholding these ethical principles, the study ensures the credibility and integrity of its findings while prioritizing the well-being and rights of participants. In line with our constructionist approach, we also recognize that ethical considerations extend beyond formal procedures and require ongoing reflexivity about our role as researchers, including how we represent participants' voices, interpret their experiences and present the scandal.

3.6 Quality Criteria and Limitations

This research is evaluated based on reliability, validity and generalizability, assessed through a constructionist epistemology. Overall, the study's focus lies on generating in-depth, contextual insights into consumer perceptions within a specific setting, rather than aiming for broader generalizability.

Easterby-Smith et al. (2021) explain reliability as the extent to which similar results would be obtained if other researchers conducted a comparable study. Similarly, external reliability depends on whether research observations can be repeated by others (Bell et al. 2019). In our case, the exploratory nature of the study and the use of semi-structured interviews limit replicability, due to the co-constructed nature of qualitative data. The context-specific character of qualitative research, shaped by particular individuals, settings, and timing, makes exact duplication difficult. Therefore, the findings should be interpreted within the context of this study rather than assumed to apply broadly (Easterby-Smith et al. 2021). To strengthen external reliability, we provided a detailed description of our procedures (Bell et al. 2022). We categorized the interview results carefully through codes and themes, in order to maintain consistency. Moreover, to strengthen internal reliability, defined as the degree of consensus among researchers in interpreting and assessing the data (Bell et al. 2019), both researchers jointly reviewed all interpretations, allowing us to challenge each other's assumptions.

Validity refers to how well a study reflects or measures the specific concept or phenomenon it is intended to explore (Bell et al. 2019). In this study, validity is strengthened by the purposeful selection of participants who had an established relationship with Djerf Avenue prior to the scandal, ensuring relevance to the phenomenon under investigation. The sample consists of 15 individuals aged 19-25, selected to reflect the brand's target group and based on existing research suggesting that younger consumers are particularly receptive to celebrity-driven branding and often form parasocial relationships with public brand figures. This way, the focused approach supports depth over breadth. However, validity could be strengthened by incorporating broader perspectives (Easterby-Smith et al. 2021), as the focus on young consumers may overrepresent those who are more actively engaged in brands shaped by public personas or founder figures. Additionally, the choice of convenience sampling from a personal network, may introduce bias due to shared social and cultural backgrounds. This could lead participants to align their responses with perceived expectations rather than offering independent insights. Moreover, the small, Sweden-based sample limits the findings' statistical generalizability to all young consumers. The sample lacks geographic, socio-economic and cultural diversity, which constrains insights into how brand scandals may be perceived across different consumer segments. However, since qualitative research primarily aims at internal generalizability, that is, explaining phenomena within a given setting, statistical generalizability is not the objective (Easterby-Smith et al. 2021). The insights generated through interviews in this study reflect the perceptions of a selected group

of individuals and should not be assumed to represent the broader population. Instead, the value of the interview data lies in the depth and richness of understanding they provide within the context of the case.

Although not framed as a formal case study, this research focuses on a single empirical event, the Djerf Avenue scandal, to explore the dynamics of founder-brand entanglement. Focusing the interviews on the scandal mirrors the logic of a single-case study. While this limits the generalizability it is motivated by the depth that can be obtained. The insights gained from the Djerf Avenue case can inform a deeper understanding of how founder-related scandals affect brand image, particularly in contexts where the founder is symbolically tied to the brand. Eisenhardt (1989) highlights the value of case studies, particularly in areas where existing knowledge is limited. This study contributes to theory by offering a contextualized understanding of how scandals involving founders may shape consumer responses, a dimension that has received limited attention in branding literature. As Baxter and Jack (2008) emphasize, qualitative case studies enable researchers to explore complex phenomena in depth and develop theory that is transferable to similar contexts. This further aligns with Flyvbjerg's (2011) contention that strategically selected cases, especially those that are critical, typical, or extreme, can yield valuable insights that extend beyond the specific case itself. Given that Djerf Avenue represents a contemporary and highly visible example of founder-brand entanglement, the findings from this study offer conceptual contributions that may resonate across similar brand contexts.

The timing of the study and potential biases in participant responses are other potential limitations. As the scandal examined in this study is recent, consumer opinions may still evolve, as more information becomes available or as media coverage and public discourse change over time. A longitudinal approach or follow-up studies could offer a more comprehensive understanding of how perceptions shift over time in response to founder-related scandals. A further limitation is the risk of virtue signaling in participant responses. Given the moral and emotional nature of scandals involving prominent public figures, participants may have felt pressure, consciously or unconsciously, to express attitudes that align with socially acceptable values, such as support for accountability or ethical branding. Although participants' views may not fully reflect their actual behavior, a discrepancy that cannot be entirely eliminated, steps were taken to mitigate this limitation. To

encourage open and honest responses, we ensured participant anonymity and used open-ended, non-leading questions.

4. Empirical Findings and Analysis

This chapter presents and analyzes the empirical material collected through interviews with young consumers familiar with Djerf Avenue and the scandal involving its founder. The material has been thematically organized and interpreted through an abductive lens, allowing for both data-driven insights and theoretical reflection. Five central themes emerged through the analytical process: Strong Brand-Founder Connection, Betrayal of Brand and Founder Values, Authenticity vs. Performance, Founder Identity as Power and Risk and Reputation and Image Spillover. Each theme is presented alongside illustrative participant quotes and followed by an analysis of the findings.

4.1 Strong Brand–Founder Connection

A central and recurring theme across interviews was the perceived inseparability between Djerf Avenue and its founder, Matilda Djerf. Participants consistently described the brand as an extension of Matilda Djerf’s personal identity, values, and aesthetic, frequently stating that “*Matilda and the brand are one and the same*,” and that “*she shines through the whole company, all the garments and all the marketing*”. This underscores how closely consumers associate Matilda Djerf with the brand itself. This thus illustrates the strong founder-brand connection constructed by the respondents. Several also noted that purchasing from Djerf Avenue felt personal, “*like buying it from her*”, highlighting the emotional and parasocial connections that had formed through Matilda Djerf’s public presence. This suggests that consumer-brand engagement went beyond traditional relationships, evolving into a more intimate dynamic where the founder was not only seen as a business owner but as someone consumers felt they “knew” and trusted: “*..I felt like I “knew” her..*”. These parasocial bonds, fostered through social media, interviews and brand storytelling, contributed to a sense of personal investment in the brand.

One respondent encapsulated the general associations expressed by participants regarding Matilda Djerf as a founder: “*I really admired her. She came across as humble, authentic, and kind. She seemed super involved in her brand, which made it feel even more special*”. In this sense, Matilda Djerf’s personal narrative, marked by vulnerability, softness and social values, was not merely seen as a parallel to the brand, it was viewed as the foundation on which the

brand identity was constructed. This shared sentiment among the respondents is exemplified by the words of two participants: *“Djerf Avenue felt like an extension of Matilda, her style, her values, her personality”* and *“..the way she talks about being inclusive etc. is really reflected in the brand”*. This illustrates how the founder can symbolically represent the entire company. As the brand was fully embodied by a person, respondents formed a more personal and emotional connection to Djerf Avenue. They emphasized that Matilda’s personal values and communication style made her appear genuine and trustworthy, which in turn extended to the brand itself.

Participants did not just view Matilda Djerf as the face of the brand, they viewed her as the essence of it. In the words of one respondent:

“But the brand itself I feel doesn’t stand on its own, it really is Matilda. I don’t think Djerf Avenue could be taken over by someone else, because the majority of people who shop there do so because they look up to Matilda, her style, and yeah, aura.”

This suggests that respondents perceived Matilda Djerf and the brand as inseparable, meaning the two could not be distinguished from one another in their minds. Another respondent expressed a similar view:

“Since Matilda and Djerf Avenue are so closely connected, it feels like her values and who she is really leave a mark on the Djerf Avenue brand.”

Thus, the interviews highlight a strong connection between Djerf Avenue and Matilda Djerf. Several respondents noted that the brand cannot be separated from her, revealing a vulnerability in the brand. Since Matilda’s behavior was in clear contradiction to the values she had projected, the core values of the brand came under scrutiny. This was put into words by one of the respondents:

“Because Matilda and the brand were so closely connected. If she doesn’t live up to the values she herself communicates, then the whole brand loses credibility for me.”

We believe that this perceived intertwining of brand and founder lays the foundation for understanding why the scandal had such overwhelming reactions among the respondents. The interviewees described strong feelings such as shock and disbelief, captured by the two following quotes:

“I was extremely shocked.”

“I just felt like omg this is fake, fraud...Everything just fell apart, because the brand really was a mirror of her, so it all felt kind of like a scam when you found this out.”

After the scandal, all respondents expressed a changed image and associations to Matilda Djerf. One respondent put it: *“My image was completely turned upside down, almost got the feeling that she was a psychopath.”* These findings indicate that the changed associations and reputational damage did not merely reflect on the founder but called the entire brand’s moral legitimacy into question.

“Now, you associate the brand more with the scandal. There’s almost a sense of shame now, because of how tied it is to Matilda. It’s more associated with failure now. It used to be a huge success, but then the scandal happened and the bubble burst.”

This suggests that Matilda Djerf’s behavior negatively impacted the brand image. Respondents now associate the brand with shame and failure, replacing the previously positive associations that existed before the scandal.

4.2 Betrayal of Brand and Founder Values

A perceived betrayal of values emerged as one of the most emotionally charged themes in participant responses. Many described a profound sense of disappointment and internal conflict following the scandal, emphasizing how Matilda Djerf’s alleged behavior was in direct conflict with the brand’s stated commitments to inclusivity, kindness and transparency. One participant stated: *“Her behavior and actions are completely opposite to what the brand promotes.”* Another echoed this disappointment, saying: *“Everything felt very fake, Matilda, the brand, and everything.”*

Importantly, participants didn’t just see this as poor leadership, but as a violation of the trust and values the brand had promised its consumers. This reflects the heightened expectations set by the brand’s communicated values and reputation, which in turn intensified the respondents’ reactions and the severity of the repercussions following the scandal. Participants in our study did not describe Djerf Avenue’s strong pre-scandal reputation as

something that mitigated their disappointment. On the contrary, the brand's positive image and highly held values appeared to intensify feelings of betrayal, captured in the following statement; *"I was really disappointed, especially because the brand was marketed around kindness, empowerment and transparency. It felt like a betrayal of those values"*. Rather than invoking forgiveness or doubt, participants often described that the scandal eroded their trust or made them feel fooled. This sense of disillusionment was reflected in several comments:

"And you feel a bit fooled and maybe betrayed by the turn in [values]."

"So the trust in the company also dropped a bit when you see that it's not as top-notch as it looks on Instagram"

"Trust was shaken. What had previously felt so genuine started to feel more like a facade and I started questioning almost everything actually."

This suggests that the very reputation built on ethical values increased the perceived hypocrisy of the founder's alleged behavior. Moreover, the respondents' trust and emotional connection to the brand appeared to intensify the backlash. This indicates that the negative reactions were not only fueled by Djerf Avenue's strong brand commitment and moral positioning, but also by the deeply personal connection many participants felt toward Matilda Djerf as a founder. In this way, the scandal was perceived not just as a brand failing, but as a personal betrayal, amplifying both emotional responses and the erosion of trust.

As previously mentioned, participants consistently described the brand and its founder as inseparable, *"Djerf Avenue is Matilda and Matilda is Djerf Avenue"* and *"She and the brand promoted very similar values. And since she was also the face of the brand, your thoughts about her automatically carried over to Djerf Avenue"*. This showcases that the scandal was not simply interpreted as an ethical failure at the organizational level, but as a personal betrayal. This personal connection amplified the emotional impact of the scandal, illustrated by one respondent: *"...Because I felt like I "knew" her, it felt more personal when everything came out."* Rather than buffering against criticism, the close entanglement between Matilda Djerf and the brand appears to have amplified the backlash. Her visibility as a founder added an additional layer of complexity to the scandal.

4.3 Authenticity vs. Performance

The scandal prompted a widespread reassessment of Matilda Djerf's authenticity. While Djerf Avenue had previously been viewed as "*a breath of fresh air in the fashion industry*" and Matilda Djerf as "*genuine*," many participants described how these impressions collapsed in the wake of the controversy: "*That sweet, kind image of Matilda, that image shattered.*" This sense of betrayal extended beyond disapproval, several participants retroactively reinterpreted past interviews, campaigns, and social media posts as calculated rather than sincere. Two respondents captured how they started questioning the authenticity: "*Everything she has said, you start to question.*" and "*It made me question how genuine everything had been*". These retrospective evaluations marked a shift in perception, from believing in authenticity to viewing it as a carefully managed performance. The perception of Djerf Avenue shifted from being rooted in strong ethical values to appearing as though those values were merely instrumentalized for marketing and profit. This perceived breach of values indicates an undermined authenticity, suggesting a shift in consumer associations and overall brand image. One respondent mentioned perceiving the brand as inauthentic as a result of not living up to what the brand previously communicated:

"Today I associate the brand with: an inauthentic brand and not a nice place to work. A brand that doesn't live up to the values it promotes."

Prior to the scandal, the respondents described their perception of Djerf Avenue as authentic and built on genuine values, "*I perceived it as a very kind brand, one that cares about everyone's well-being, the planet, and so on.*" Djerf Avenue's pre-scandal success thus highlights the crucial role of authenticity in building consumer trust and fostering emotional attachment. The brand's growth was largely driven by its credible image and the strong personal bond consumers felt with its founder.

However, our findings indicate that building a brand's foundation on values and perceived authenticity can backfire in the wake of a scandal, especially when those values are personified through a visible founder. In the case of Djerf Avenue, the founder's identity was so closely tied to the brand that the controversy not only damaged the brand's image but also triggered feelings of being misled among respondents. Several participants began to question whether the brand's ethical positioning had ever been genuine or simply a strategic tool for commercial success. As one respondent put it: "*It made me see her as less genuine, more like*

she just wants to make money and does what it takes to do that, kind of". This showcased how Djerf Avenue's reliance on their authentic values, embodied by Matilda Djerf, created a vulnerability.

Moreover, the scandal exposed a rupture between Matilda Djerf's "human" self and her branded persona, which is very entangled with the Djerf Avenue brand, therefore Matilda's persona essentially represented the brand. Djerf Avenue has likely benefited from the close intertwining of Matilda's "human" self and her branded persona, as this gave consumers a personal connection to the brand, which in turn fostered trust and a sense of genuineness. After the scandal when trust and genuinity to Matilda Djerf had been broken, the respondents expressed skepticism about whether the brand's authenticity was merely performed or genuinely embedded within the company, *"Everything felt very fake, Matilda, the brand, and everything"*. This indicates that Matilda Djerf's personal involvement in the brand initially fostered authenticity, but also led to a swift and severe shift when that image was challenged.

4.4 Founder Identity as Power and Risk

While Matilda Djerf's identity had initially served as a strategic asset, helping Djerf Avenue differentiate itself through emotional messaging and value alignment, the scandal revealed a critical vulnerability through this closeness. All of the participants described that their impression of Matilda Djerf impacted their perception of the brand Djerf Avenue. This can be portrayed by two respondent's answers: *"That she was a kind person who meant well. That she was caring. That immediately got linked to Djerf Avenue representing the same values."* and *"Her personal values and aesthetic were so deeply embedded in the brand that I trusted it because I trusted her"*.

However, participants described the scandal as *"dramatic"* and one respondent stated how the scandal surrounding Matilda Djerf brought down the whole brand: *"With her fall, the whole brand fell, the whole community, and everything you saw on social media felt really false."* This underscores how the visibility of the founder and the emotional connection built through that centrality also entails a vulnerability to the brand image in the face of a scandal. All participants emphasized that if the connection hadn't been so strong, the outcome of the scandal would be milder. As one participant put it, *"If they hadn't been so connected, the*

brand probably wouldn't have been as heavily affected when Matilda made a misstep." Matilda Djerf's visibility, which had previously been viewed as an asset that fostered authenticity and credibility for Djerf Avenue, ultimately became a significant vulnerability. This shift illustrates how a strong connection to the founder's identity can also entail substantial risks. The very figure who had served as the foundation of the brand's success, through her values, presence, and public image, also became a central source of reputational damage when controversy emerged.

As discussed in 4.1, this founder-brand entanglement further entails that dissociating the individual from the brand becomes close to impossible. One participant captured this view: *"With other companies, you can always say, 'We fired the person who caused the issue.' But when she is the founder, you can't do that, and that makes it a different situation"*. This reflects a limitation in company's with strong founder-brand entanglement, where identity and image are so intertwined that crisis mitigation becomes difficult.

Several respondents noted a distinction in how they perceived the connection between brands and their founders in the Djerf Avenue case compared to other cases. One respondent mentioned the distinction between H&M and Djerf Avenue: *"If I think about H&M, I barely know who the CEO or founder is, you don't really think about it. So I don't see it the same way."* Even in cases where the founder is both well-known and visibly tied to the brand, such as Bianca Ingrosso and the beauty-brand Caia, participants expressed that a scandal in that context would likely not provoke the same reaction. While they acknowledged a strong association between Ingrosso and Caia, many emphasized that the connection between Matilda Djerf and Djerf Avenue felt uniquely intense. As one respondent put it: *"Caia is a bit similar, but I'd still say Caia isn't as strong."* Similarly, another respondent brought up the brand Adoore as another example of a brand where there is less personal connection to the founder, *"For example, take Adoore, it's not at all the same connection to Petra"*. These distinctions suggest that it is not founder visibility alone that drives reputational vulnerability, but rather the values-based and emotional dimensions of the founder's identity. In the case of Djerf Avenue, the deep personal values projected by Matilda Djerf appear to have amplified the sense of betrayal, making the damage the brand image suffered more severe than in comparable founder-led brands. By contrast, neither Adoore nor Caia have grounded their brand identities in the personal values of their founders. While both brands feature highly visible founders, respondents described feeling little personal or emotional connection to

them. This implies that the bond between consumers and Matilda Djerf added an emotional intensity to the scandal's impact. The sense of betrayal extended beyond reputation, becoming deeply personal, amplified by the values-driven image that Djerf Avenue had carefully built.

The damage to the brand image and associations was evident through many of the interview participants, with a majority of the respondents describing a decreased willingness to support the brand following the scandal. Several respondents expressed shame, discomfort and that the scandal created a lack of social acceptance in wearing or buying Djerf Avenues products. As two respondents put it:

“Before, the clothes felt like an extension of a certain vibe, being trendy, cool, clean girl. But today, I’d feel a bit uneasy wearing anything with a clear Djerf Avenue logo.”

“The image of the brand has changed. I’d honestly feel embarrassed now to wear something from them. I no longer want to support the brand.”

Several respondents further expressed a reluctance to work at Djerf Avenue, explaining that what was once perceived as a dream employer is now a brand they no longer wish to be associated with. *“Now when I see job ads from Djerf Avenue, I hesitate. It makes me think, would working there say something about me?”*, one respondent stated. This reinforces the notion that Djerf Avenue's brand image was significantly damaged by the scandal. The impact of Matilda's behavior highlights the risks involved when a founder's identity is deeply intertwined with the brand.

4.5 Reputation and Image Spillover

The empirical material strongly illustrates a reputation and image spillover, where associations connected to Matilda directly transferred to the brand. The interviews showcased how declining trust in Matilda Djerf directly undermined trust in Djerf Avenue. *“If I don't trust her, it's hard to trust the brand”*, one participant noted, capturing a pattern observed across the interviews. In the case of Djerf Avenue, expectations extended beyond the brand itself and were closely tied to its founder, Matilda Djerf. Participants described how the brand's image and associations had been built on Matilda Djerf's persona, her values,

transparency and emotional accessibility, meaning that the scandal led to a collapse of the brand's symbolic meaning and the expectations associated with it. This highlights how Matilda Djerf's personal identity and image directly shaped the brand's image. Three respondents encapsulated the overall view among the respondents:

"I think the brand really is a reflection of her; I got the same image of the brand as I got of her."

"It felt like she was the actual face outward and that her personality, style and values permeated and kind of reflected everything from the clothes to their marketing and all their communication."

"Who she is as a person is basically what the brand wants to represent."

The Djerf Avenue case highlights the heightened risk that comes with a strong alignment between a founder and their brand. While this close connection fostered authenticity and a deep emotional bond with consumers, it also meant that the brand became inextricably tied to Matilda Djerf herself, raising expectations. As a result, any perceived flaws or missteps in her personal behavior directly impacted the brand's image.

Moreover, the fact that the associations damaged by the scandal were central to Djerf Avenue amplified the harm to its overall brand image. In this case, the controversy clashed with the brand's core values while also directly undermining the personal image Matilda Djerf had cultivated, making the backlash particularly severe. As two respondents mentioned:

"The fact that she's perceived as a bully affects how I see the brand, not as inclusive, because that's the exact opposite of what the brand claims to stand for."

"In a way, everyone can make mistakes, but this went so strongly against everything she and the brand stood for, and I think that's why it feels extra strong."

As previously mentioned, the Djerf Avenue brand was built around values such as body positivity, kindness, inclusivity, empowerment and transparency. The controversy surrounding Matilda Djerf centered on accusations of fat-shaming, being rude, disrespectful and demeaning toward staff, as well as exhibiting toxic leadership behavior. Thus, through her behavior during the scandal, Matilda Djerf contradicted the very principles on which the brand was built. Moreover, the damaged brand image was intensified by the fact that Djerf

Avenue's core audience, young Swedish women, strongly identified with both the brand and Matilda Djerf's communicated values of kindness, inclusivity, and empowerment. Two respondents mentioned how the values around Djerf Avenue were something that resonated with them and that they felt good about supporting, exemplifying a broader pattern identified throughout the interviews:

"It felt like a breath of fresh air in the fashion industry, ethical, inclusive, soft, empowering. The branding was clean, calming, very "Scandi," and felt like it was made for girls like me. It was a brand I genuinely felt good about supporting."

"You want to support brands that are inclusive and sustainable and so."

This broader pattern highlights how many respondents felt emotionally connected to and personally invested in the values promoted by both Djerf Avenue and Matilda Djerf herself. Such emotional investment appeared to heighten their expectations of the brand and its founder. When Matilda failed to uphold the values she publicly championed, this sense of disappointment was intensified. The strong personal connection that consumers had to the brand, largely because of Matilda's visible and authentic presence, seemingly amplified the negative reactions, turning what might have been a reputational issue into a personal disappointment for many, both towards Matilda Djerf and the brand Djerf Avenue.

5. Discussion

This section reflects on the empirical findings in light of the existing literature, offering a critical examination of how the results align with, challenge, or extend current theoretical understandings.

This chapter discusses the empirical findings in relation to existing literature on brand image, founder identity and brand scandals. By connecting the results to prior research, we critically reflect on how our study contributes to a deeper understanding of founder-brand entanglement and its implications in the context of scandal. The discussion further examines how emotional attachment, symbolic representation, and perceived authenticity shape consumer perceptions, offering both theoretical insights and new perspectives on the risks associated with founder-led branding.

The empirical findings and analysis pave the way for a broader discussion about the implications of having a founder who is deeply intertwined with a brand's image, a phenomenon we refer to as founder-brand entanglement. This discussion aligns with the aim of this study, to examine how scandals involving founders influence consumer perceptions of the brand image, particularly in cases where the founder's identity is strongly tied to the brand itself. Previous literature has given limited attention to scandals originating from the founder, particularly in cases where the founder serves as a symbolic representation of the brand. Our study broadens the understanding of such scandals by offering important insights for brands built around their founder's values and personal connection. In doing so, we also contribute to a more nuanced understanding of how founder identity is used in brand building. While prior research and market trends have largely portrayed a strong founder presence as beneficial, our thesis offers a more critical perspective.

Founder-Brand Inseparability

As identified in the analysis, participants consistently described the brand as an extension of Matilda Djerf's personal identity, values and aesthetic. For many, purchasing from the brand felt like buying from her personally, underscoring the emotional and parasocial bonds that had developed through Matilda's public presence. These findings echo and reinforce existing literature on founder identity, which suggests that founders often serve as symbolic

representations of their companies, shaping the emotional meaning and perceived authenticity of the brand (Astner & Gaddefors, 2025; Centeno et al. 2019; Gerhardt, 2022; Hamby et al. 2019). The literature highlights how founders' values and stories can humanize a brand and foster trust through the projection of authenticity (Melewar & Karaosmanoglu, 2006; Centeno et al, 2019), which was evident in the Djerf Avenue case.

A perceived inseparability between Matilda Djerf and Djerf Avenue was evident throughout the analysis. The respondents perceived the brand as deeply intertwined with the founder, not just in terms of her visibility, but through a strong emotional and personal connection. Thus, our data reveals a degree of founder-brand entanglement that exceeds what is typically captured in prior studies. This kind of perceived inseparability introduces a form of organizational vulnerability, where brands who are inseparable from their founders become fragile when the founder faces controversy. While the close alignment between founder and brand may initially offer a strategic advantage by fostering emotional resonance and differentiation (Gerhardt, 2022), our findings show that it also weakens the brand's ability to distance itself from the founder during times of crisis. Unlike more anonymous or institutional brands that can reposition or replace a problematic figurehead, Djerf Avenue's image was closely connected to its founder and thereby seen as deeply personal. This made the brand particularly vulnerable when Matilda Djerf's personal behavior, allegedly in clear contradiction to the values she had long projected, came under scrutiny. This suggests that brands deeply intertwined with a founder's identity must carefully weigh the long-term risks of personalisation, as the lack of separation between person and brand can significantly limit their ability to manage reputational crises.

Reassessing the Role of Founder Identity

Following the scandal, associations to the brand shifted significantly. Matilda Djerf's actions appeared to trigger reputational damage that extended beyond her as an individual, suggesting that her behavior had a direct and negative impact on the brand's overall image. This level of entanglement problematizes the sustainability of brands where the founder identity is central, particularly when founder figures occupy central positions both internally (as decision-makers) and externally (as communicators of values). In this light, the Djerf Avenue case challenges the literature's tendency to frame founder identity and related

concepts as a mostly beneficial resource. It urges a more critical examination of the risks posed by over-reliance on emotional connection and visibility, especially in an era where social media dominates and the credibility of influencers and public figures faces constant scrutiny. Rather than viewing the founder as a stable, long-term asset, this case suggests that a founder's identity, when deeply entwined with brand image, may, under certain conditions, become a point of vulnerability for the brand, especially when authenticity, visibility, and value alignment are not only strategic but emotionalized. While Astner & Gaddefors (2025), Centeno et al. (2019), Gerhardt (2022) and Hamby et al. (2019), emphasize the benefits of a strong founder figure, our findings complicate this assumption by offering new insights that highlight how a founder, as the symbolic embodiment of the brand, can also become a critical point of vulnerability in the wake of a scandal. As an increasing number of brands leverage founders as figureheads to personalize their brand identity, this perspective challenges prior assumptions in the literature and contributes a valuable and timely addition to the discourse.

A majority of respondents described a decreased willingness to support the brand following the scandal. Beyond personal disengagement, many also noted a decline in the social acceptance of wearing or using the brand's products. Several participants further expressed a newfound reluctance to work at Djerf Avenue, suggesting that what was once perceived as an aspirational and value-driven employer had become a brand they no longer wished to be associated with. We therefore argue that consumers disengage, both emotionally and economically, when they feel misled by the individual a brand revolves around. This aligns with Huber et al (2010) and Thomas & Fowler (2016) who state that consumers tend to distance themselves when a brand fails to meet expected standards. Taken together, these insights clearly illustrate the extent of the damage to Djerf Avenue's brand image and associations.

Betrayal of Values and Authenticity

The betrayal of values emerged as one of the most emotionally charged themes, significantly damaging Djerf Avenue's previously positive reputation and image. Respondents described a sense of disappointment and internal conflict, viewing Matilda Djerf's behavior not just as poor leadership, but as a violation of trust and the ideals she and the brand had represented. While prior literature presents brand reputation as having a double-edged nature, offering

both protective “halo effects” (Coombs & Holladay, 2006) and risk of amplified backlash due to elevated expectations (Rhee & Haunschild, 2006), our empirical data leans more strongly toward the latter. Our findings suggest that the brand’s strong image and positive reputation played a significant role in intensifying participants’ reactions to the scandal.

Several respondents described feeling betrayed, as the incident shattered their trust and left them with a sense of having been fooled. The brand’s explicit commitment to ethical values further amplified this response, as it heightened the perceived hypocrisy and deepened the emotional impact of the controversy. This challenges earlier findings stating that brand commitment (Aaker et al. 2004; Ahluwalia et al. 2000, 2001; Hegner et al. 2014), brand authenticity and an authentic brand image (Guèvremont & Grohman, 2018) may buffer against negative consequences such as affection, willingness to pay, perceived hypocrisy and brand responsibility. In our case, the backlash seemed to escalate precisely because of, not despite, commitment, perceived authenticity and authentic brand image. While Djerf Avenue’s success prior to the scandal illustrates the central role of authenticity in fostering brand trust and emotional attachment, the discussion illustrates how strong authenticity may intensify the impact of a scandal, highlighting the risks of building a brand around values and perceived authenticity. Our findings suggest a dynamic perspective of authenticity, where it is continuously negotiated and inherently fragile. This is particularly evident in brands where the founder is highly visible and consumer identification is strong, making any perceived breach feel deeply personal.

Visibility and Emotional Connection

Moreover, our findings further develop earlier findings by revealing that the intensity of emotional backlash was not solely driven by a strong brand commitment and reputation, but also by the depth of the personal connection to Matilda Djerf as a founder. The emotional connection transformed the scandal into a perceived personal betrayal rather than merely an ethical misstep, highlighting how founder visibility and personal connection can complicate consumer trust in brands built on moral values.

These findings also give empirical weight to Fournier & Eckhardt’s (2019) concept of the “two-bodied person-brand,” where the human and brand self are interdependent, which also introduces risks. The scandal revealed a disconnect between Matilda Djerf’s real self and her

carefully crafted brand persona, which is deeply intertwined with Djerf Avenue. Several respondents questioned whether the brand's authenticity was truly sincere or simply a constructed performance. This reveals how the perceived sincerity of a brand can rapidly unravel when the founder's controversial behavior is made public, illustrating the heightened risk that emerges when a single individual's identity is so deeply embedded in the brand's image.

A Rupture in Brand Image

As earlier discussed, Matilda Djerf's identity functioned as both a strategic asset and a potential vulnerability for the brand. Positive associations to Matilda, such as authenticity, kindness and inclusivity, were seamlessly transferred to Djerf Avenue, enhancing its appeal. However, this deep entanglement also created risk. When Matilda's public image was called into question, the brand suffered alongside her, illustrating how tightly the brand's image was bound to its founder. In line with earlier discussion on Rhee & Haunschild's (2006) argument that reputation is inherently two-sided, our findings further suggest that a strong brand image built on founder identity is similarly double-edged. The same visibility that lends a brand authenticity and credibility can, during rough times, turn into a significant vulnerability. Thus, we reveal a paradox within founder-brand entanglement: the person who builds brand image can also be the source of downfall.

From Keller's (1993) perspective, this change in consumer perceptions represents a rupture in brand image, where previously strong, favorable, and unique associations, particularly those rooted in symbolic benefits, were replaced by skepticism, disappointment, and perceived hypocrisy. As the positive associations tied to the founder collapsed, so too did the emotional and symbolic value that had once set the brand apart. This highlights the central role that symbolic benefits play in shaping consumer perceptions of brands that are strongly intertwined with a founder's identity and values. When these benefits, such as social approval and expressing identity, are disrupted, the brand's uniqueness and appeal can rapidly erode, ultimately shifting the brand image.

The Degree of Emotional Bond

The emotional connection observed in the Djerf Avenue case highlights the complexities that arise when brands strategically leverage their founders' identities. As demonstrated in the analysis, several respondents perceived the connection between Matilda Djerf and the brand as unusually strong, setting it apart from other founder-led brands where the founder's presence may be visible, but less emotionally charged. In this case, the reputational damage was not merely a result of founder visibility, it was rooted in consumers' deep emotional investment in Matilda Djerf and the values she was seen to embody. The scandal was thus experienced not only as a reputational failure, but as a personal betrayal, amplified by the brand's values-driven positioning. This underscores how emotional bonds with founder figures can magnify the impact of a scandal, revealing that a brand's perceived authenticity and moral alignment can become sources of vulnerability when broken. As noted in the analysis, the Djerf Avenue case stands out precisely because of this depth of emotional entanglement, which is less prominent in many other founder-led brand narratives. We contribute to the literature by highlighting the complexity inherent in brands that cultivate emotional connections through a founder figure. However, our findings are not limited to brands with an emotionally connected founder, they may also be relevant to any brand or context where ethical values or the founder's personality play a central role in shaping brand image.

Collapse of Core Values and Expectations

Trust in the brand was built almost entirely on trust in Matilda Djerf, with consumer expectations closely tied to her persona. As the brand's image and associations were rooted in her values, transparency, and emotional accessibility, the scandal ultimately triggered a collapse in both the brand's perceived values and the expectations it had cultivated. This dynamic underscores the heightened risk of founder-brand entanglement: while strong founder alignment can foster authenticity and emotional connection, it also raises expectations, making the brand image more vulnerable when those expectations are not fulfilled. This reveals the vulnerability of building a brand so closely around an individual.

The scandal struck at the heart of Djerf Avenue's core values, making it especially damaging to the brand image. It also directly undermined the personal image Matilda Djerf had

carefully constructed, further intensifying the fallout. As Dawar and Lei (2009) argue, the reputational impact of a scandal is heightened when it contradicts a brand's established associations, which is precisely what occurred in this case. The damage to the brand image was further amplified by the fact that its core audience, young Swedish women, deeply identified with the values embodied by both Matilda Djerf and the brand. This suggests that emotional investment in a brand's values can heighten consumer expectations. Our findings reflect this dynamic, as many respondents expressed a strong personal connection to the ideals Matilda represented, which in turn intensified their sense of disappointment when those ideals were perceived as compromised. This suggests that the more personally meaningful a brand becomes, the more severe the backlash when it fails to live up to its promises.

In summary, this discussion demonstrates that founder identity, while often portrayed as a strategic asset, can also become a critical point of vulnerability when controversies arise. The Djerf Avenue case illustrates how deep emotional investment and value alignment with a founder, referred to as founder-brand entanglement, can intensify consumer reactions, turning a brand scandal into a personal betrayal. By examining how scandals involving founders shape perceptions of brand image, our findings highlight the double-edged nature of building a brand around a highly visible individual. This not only contributes to a more nuanced understanding of founder-led branding, but also underscores the need for future research to further explore the boundaries and resilience of such brand structures in an era of increasing personalisation and public scrutiny.

6. Conclusion

This concluding chapter synthesizes the key findings of the study in relation to its original research aim and question. It outlines the theoretical contributions and managerial implications derived from the results and concludes by suggesting directions for future research.

6.1 Research Findings

This study set out to explore how scandals involving founders affect consumer perceptions of brand image in cases of strong founder-brand entanglement. Drawing on qualitative interviews with young Swedish consumers familiar with the Djerf Avenue case, our findings demonstrate that when a founder's identity is deeply embedded in a brand, personal misconduct can fundamentally reshape how the brand is perceived, often in more profound and emotional ways than traditional corporate crises.

In such cases, the founder does not merely represent the brand; they *are* the brand in the eyes of consumers. This symbolic and moral embodiment means that any controversy surrounding the founder becomes inseparable from the brand itself. As seen in the Djerf Avenue case, consumers' trust in the brand collapsed alongside their trust in Matilda Djerf as an individual, leading to a rupture in the brand's symbolic associations, such as authenticity, social approval, emotional connection, expressing identity and shared values. The scandal significantly disrupted the brand image by undermining the positive associations previously tied to the founder, and it was perceived not just as a leadership failure, but as a personal betrayal and a violation of trust.

Rather than buffering against the scandal, the founder's visibility and emotional resonance with consumers intensified the backlash. Our findings show that the reputational fallout was shaped not only by Matilda Djerf's public presence but by the emotional connection consumers had formed with her. This emotionalization heightened feelings of disappointment and perceived hypocrisy, ultimately triggering not only negative perceptions but emotional disengagement and social distancing from the brand, thus resulting in a damaged brand image.

Finally, the study underscores the dual nature of founder identity as both a strategic asset and a source of vulnerability. While Matilda Djerf's public persona and values initially helped

build brand authenticity and emotional connection, it also made the brand particularly susceptible to reputational harm. In sum, scandals involving highly visible and value-driven founders can deeply compromise brand image by collapsing the symbolic and emotional foundations on which consumer trust is built.

6.2 Theoretical Contributions

This study identifies and addresses a gap in the existing literature on founder identity and brand image by exploring how strong alignment between a founder's personal identity and the brand affects consumer perceptions of the brand image in the aftermath of a scandal. We contribute to the growing body of literature by critically examining the risks and implications of strong founder-brand entanglement. While previous research has largely emphasized the strategic value of founder visibility, personal branding, and the humanization of brands, our findings nuance this understanding by showing that such closeness between founder and brand can also create vulnerabilities for the brand, particularly in the context of scandal. Our findings further contribute to the literature by illustrating how founder visibility, coupled with a strong emotional connection, can amplify consumer reactions and intensify negative perceptions of brand image in the wake of a scandal.

By applying the concept of founder-brand entanglement, we extend existing literature and theories on brand scandals, founder identity and brand image. Our findings demonstrate that when a founder embodies a brand's core values and associations, those associations can rapidly collapse if the founder's actions are perceived to contradict the brand's communicated ideals.

Furthermore, we contribute to crisis and reputation literature by illustrating how scandals involving founders are not always perceived as organizational failures, but as moral and personal betrayals. This challenges prior assumptions that brand commitment, authenticity and an authentic brand image can buffer against reputational damage and instead suggests that these factors can amplify backlash under conditions of value-based disappointment. Thus, a theoretical contribution of this study lies in our conceptualization of the double-edged nature of brand image built around founder identity: the very visibility and emotional connection that lend a brand authenticity and credibility can, in times of crisis, become a significant source of vulnerability.

6.3 Managerial Implications

This study offers several important implications for brand managers, particularly those working with founder-led or founder-associated brands. First, the findings highlight the strategic potential of using a founder's identity to humanize the brand and foster strong emotional connections with consumers. When done successfully, this approach can build authenticity, loyalty, and a distinct brand image rooted in personal values. However, the study also highlights the risks of over-relying on founder identity and the personalization of brands, a growing strategic approach in today's branding landscape.

When a founder is deeply intertwined with the brand, personal controversies can have far-reaching consequences, affecting not only perceptions of the founder but also the brand's symbolic and emotional associations. Managers should therefore assess the degree of visibility and emotional investment tied to a founder, and consider mechanisms that allow for distancing the founder from the brand in times of crisis.

Moreover, companies should actively work to embed core values and brand identity beyond the founder figure. This includes fostering internal cultural alignment, building credibility through diverse brand representatives and ensuring that the communicated values are reflected in both leadership behavior and internal practices. By doing so, brands can enhance their resilience and mitigate the risk of reputational fallout and brand image damage caused by the actions of individuals.

Finally, as brands increasingly operate in environments shaped by social media and public scrutiny, transparency and accountability become key. Brands should be prepared with proactive crisis communication strategies that address the emotional nature of consumer-brand relationships, especially when those relationships are built on perceived authenticity and moral alignment.

In sum, while founder-led branding can be a powerful tool for differentiation, it must be handled with strategic foresight and risk awareness.

6.4 Future Research

This study opens several avenues for future research on founder-brand entanglement and its implications during reputational crises. First, even though the strategically selected single case of Djerf Avenue can provide valuable insights that extend beyond the specific case itself, future research could benefit from conducting comparative case studies across different industries and cultural contexts.

Our research captures a high degree of symbolic and emotional alignment between founder and brand, highlighting how deeply intertwined founder identity and brand perception can become. However, not all founder-led companies operate with the same level of integration. For future research, it would be valuable to explore different types of founder-led brands and compare how varying degrees of founder-brand alignment influence brand resilience. Further investigation is also encouraged into how brands can better anticipate and manage the reputational risks associated with founder-brand entanglement, particularly in an increasingly digital and transparent landscape.

Moreover, while this study focused on consumer perceptions shortly after the scandal, longitudinal research is needed to assess how brand perceptions evolve over time. When scandals involve a highly visible founder, do the emotional reactions fade over time, and can a brand recover its brand image once damaged? Exploring how memory, media narratives and brand actions shape the longer-term trajectory of trust and loyalty would significantly enhance the existing literature on brand recovery.

Furthermore, while our study is grounded in qualitative insights, future quantitative research could test the statistical generalizability of our findings, for example by experimental or survey-based studies with a larger and more diverse sample. Such studies would allow for further refinement of the theoretical insights developed here and strengthen their applicability across consumer segments.

Lastly, future research could also focus on strategic responses to founder-related scandals. While crisis communication is a well-established field, there is limited research on how brands with deeply entangled founders can navigate brand repair, especially when distancing the founder from the brand is not easily achievable. Understanding what types of narratives, leadership transitions or brand repositioning strategies are effective in re-establishing trust

could offer valuable practical implications for marketers and brand managers operating in increasingly personalized brand landscapes.

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Appendices

Appendix A - Interview Guide / Questions

Hi! Thanks so much for being here and taking the time to talk with us. Before we get going, we just want to briefly explain what this is all about. This interview is part of our master's thesis, where we're looking into how people experience and respond to brands that are strongly associated with their founders.

There's no need to worry about giving the "right" answer, we're just curious to hear your own thoughts, reflections, and experiences. Feel free to take your time, and let us know if anything is unclear or if you'd like to come back to a question later.

Just so you know, your participation is completely voluntary. So, you're free to skip any question or stop the interview altogether at any time, no explanation needed.

Lastly, is it okay if we record this conversation? The recording will only be used to help us transcribe and analyze what's been said. Everything you share will be kept confidential and anonymous in the final thesis. You'll also have the opportunity to look over a summary of your responses before we submit the paper.

Opening questions

1. How long have you known of the brand Djerf Avenue?
2. How closely do you associate the brand with its founder, Matilda Djerf?

Before the scandal

Reminder/introduction of Scandal: As you know, recently, Djerf Avenue became the subject of significant controversy concerning its workplace environment, specifically raising questions about founder Matilda Djerf's leadership practices. We will start some questions to understand your thoughts and feelings about the brand before the scandal.

3. Can you describe your thoughts, feelings and associations to Djerf Avenue before the scandal?
4. What was your impression of the founder Matilda Djerf before the controversy?
5. Did this impression that you have of Matilda, impact your perception of the brand Djerf Avenue? How?
6. On a scale of 1-10, how closely did you associate Djerf Avenue with Matilda Djerf personally before the scandal?

Reactions to the Scandal

7. Did the scandal change how you viewed the founder? Why or why not?
8. Did the scandal impact how you feel about the brand and the overall image? If so, how?

If yes on question 10

9. Why do you think your view of the brand has changed after the scandal?

Brand Image After the Scandal

10. Can you describe your thoughts, feelings and associations with Djerf Avenue after the scandal?
11. What is your impression of the founder Matilda Djerf after the controversy?
12. Does your impression of Matilda, impact your perception of the brand Djerf Avenue. If so, how?
13. On a scale on 1-10, how closely do you associate Djerf Avenue with Matilda Djerf personally after the scandal?

Perceived Relationship Between Brand and Founder

14. To what extent do you feel that Matilda and the brand are the same or separate?
 - a. Follow up: And conversely, to what extent do you feel that brands and their founders are the same or separate in general?
15. If Matilda Djerf hadn't been involved in the brand's public image, do you think your reaction would have been different?
16. Do you think Matilda's behavior is consistent with the image or values the brand promotes?

Appendix B - Declaration of AI Use

Artificial Intelligence (AI), has been used as a supportive tool during the process of writing this thesis. During the early stages, we used AI, particularly ChatGPT, to explore possible research directions. It was especially helpful in brainstorming sessions, where it acted as a creative partner in generating ideas and planning the structure of the thesis.

To support our search for academic literature, we also used the AI-based platform Consensus.app to identify potentially relevant articles based on specific keywords. However, all final sources used in this thesis were verified and retrieved through academic databases such as Lund University's official search tool, LubSearch, to ensure academic credibility. The vast majority of sources ultimately referenced in our work come from established research databases.

Throughout the research process, ChatGPT was used to gain a better understanding of different concepts and ideas that we encountered during this period. It was helpful in explaining concepts in a more comprehensive way. AI was also helpful in identifying relevant keywords, theories and existing literature to explore in greater depth. In this way, it provided valuable direction during the early stages of the research. Once our ideas were formed and the essay plan was in place, we were able to continue the work independently without further use of AI. While AI assisted in the early stages of the process, all final content, analysis, argumentation and conclusions have been entirely developed and written by us.