Sustainable brand communications about value-related scandals

Kapoor Sunaina

PhD
Indian Institute of Foreign Trade
1583, Madurdaha,
Kolkata-700107
India
Nainaiift7@gmail.com
Sunaina.kapoor@univr.it

Signori Paola

Professor
Department of Business Administration
University of Verona
Via Cantarane, 24
37129 Verona
Italy
Paola.signori@univr.it

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Abstract: Brands (un)knowingly highlight inequalities for their benefit through their marketing efforts that may face unpredictable consumer attitudes. This unethical communication is often a cause of brand scandal. Brand communication mistakes, with related stories and customers' reactions, leave a digital footprint that can last online for many years. Thus, this study primarily focuses on understanding the phenomenon of ethical brand scandals and uncover corporate actions to reduce inequalities. The article applies multiple case study analysis methodology using archival research design. The findings of the study highlight multiple case themes, sustainable corporate strategies, and the importance of consumer's pre-scandal attitude about the brand. This study captured the digital presence of brand scandal stories, that showcase the mistakes that should be avoided by managers in the future, hopefully inspiring future researchers to explore the triadic relationship between consumers, brands, and channel members.

Keywords: Ethical brand scandals, multiple case studies, marketing sustainability, sustainable communications

1. INTRODUCTION

The study majorly focuses on understanding the phenomenon of ethical brand scandals with multiple case studies. It is inevitable for a brand to not get caught in a brand scandal over its lifetime. Arguments about sustainable communications continue to exist since the '80s (Pallay, 1986). Many famous brands like Nike, Apple, and Parle-G (2019) have been unethically using child labor in their production factories. Besides, other brands like Nestle, Amazon, Tesco, and ASDA Walmart have also been caught in ethical scandals (Tim Hunt, 2018). Thus, it is crucial to analyze such ethical brand scandal cases to understand mistakes in marketing communication. Sustainable brand communication is referred to as a message communicated by the brand keeping in mind its ethical rationality of it. Such ethical rationality includes practicing non-racist, cultural-centric, gender diversity, and non-sexist communications representing the value system of the brand. However, brand communications opposed to ethical rationality not only derail consumers' pre-scandal perspectives about the brand but also face consumer outrage (Kapoor et al., 2022). Thus, *this study primarily focuses on understanding the phenomenon of ethical brand scandals by examining* multiple case studies.

Consumers are always eager to discover the brand's effort after negative news about the brand outpours. It further reassures consumers that the brand cares about them and is willing to respond to the controversy cloud curated in their minds. Recently, Kapoor & Banerjee (2021) also posit that corporate actions do aid in rebuilding consumers' brand trust and further reincarnate their belief to identify with the brand, especially for those with high pre-scandal self-brand identification. Thus, *marketers' response strategies to reduce such inequalities should not be overlooked*.

Corporate actions like legal processes, arbitration, or rituals to recompense for the original breach have been applied by brands to rebuild their reputation after such an ethical scandal (Sims, 2009). However, these strategies are applied post-brand scandal. There is an utmost need to adopt sustainability as a core value in a brand's value system. There are multiple reasons that a brand may not consider sustainability as an essential goal in its brand value system. It may not wish to be portrayed as a brand for the weaker section of society, or a brand that may include the less privileged as part of its brand but not empower them, or it may prefer to stay silent about sharing its good deeds of reducing the inequalities. People belonging to the unprivileged class face issues in attaining necessities. Thus, there is a need to lay down ways of communicating such supportive efforts by the brands.

2. BACKGROUND AND GAPS ON VALUE-RELATED SCANDALS LITERATURE

Recently, Kapoor & Banerjee (2020) define *a brand scandal as an issue that results in either a consumer losing confidence entirely in the brand* (Wang and Alexander, 2018) *or having second thoughts about purchasing the brand.* Brand scandals are classified into value-related scandals and performance-related scandals (Dutta and Pullig, 2011). Value-related scandals are concerned with the brand's ethics and principles, while performance-related scandals comprise a brand's capability to offer functional benefits (Dutta and Pullig, 2011; Pullig et al., 2006). Additionally, a brand with harmful values leads to greater consumer dissociative responses than a brand with performance failures (Liu et al., 2018).

It is expected for an organization to be prepared and take appropriate strategic actions to deal with a scandal- before, during, and, after its occurrence (Benoit, 1997; Grebe, 2013; Kovoor-Misra, 1996; Pearson and Mitroff, 1993). There is an utmost need to adopt sustainability as a core value in a brand's value system. Sometimes brands (un)knowingly highlight inequalities

for their benefit through their marketing efforts that may face unpredictable consumer attitudes. This unethical communication is often a cause of brand scandal (Wang and Alexander, 2018; Kapoor et al., 2021). Such reality derails consumers' perspectives and ultimately might damage the entire distribution channel, including consumers and society in general. Recent research related to value-based brand scandals especially focusing on sustainability is scarce in comparison to performance-related scandals (cleeren, 2017; Kapoor & Banerjee 2020; Kapoor et al., 2021) Therefore, this study sets to perform collaborative research to inculcate a perspective on reducing inequalities within and among countries by leveraging sustainable actions of marketers. In our research, we are selecting ethical and social sustainability-related brand scandals, with specific attention to diversity and inclusion communication. Previous studies highlight the need to study brand scandals from the marketers' side (Kapoor & Signori, 2022). It involves investigating appropriate response strategies by which brands can communicate their sustainable efforts before and after an ethical scandal ultimately resulting in brand forgiveness.

3. METHODOLOGY

This study is a part of a bigger research design. We begin with multiple case study analyses. This shall be a big part of our next step involving in-depth interviews with the managers to gain clarity of corporate actions and thereafter, test the developed theory empirically. Multiple case study analysis is aimed at analyzing cases, defining them, and exploring their dimensions (Cousin, 2005). Creswell (2013, p.97) explains that the case study method "explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, … and reports a case description and case themes". Multiple case studies are beneficial as they aid in understanding differences and similarities between cases and enable to analyse the data both within and cross-situations (Baxter & Jack, 2008; Stake, 1995; Yin, 2003). Additionally, findings from multiple case study analysis are not only measured as strong and reliable (Baxter & Jack, 2008) but also create a convincing theory when the suggestions are more strongly grounded in several empirical evidences (Chen et al., 2021). Using multiple case analysis methodology will allow the researchers to explore broader research questions and theoretical evolutions in the future (Eisenhardt & Graebner, 2007).

3.1 Cases Selection

Selecting a case study is based on whether a brand makes non-sustainable communications. We use a convenience sampling technique for data collection (Chen et al., 2021). Eisenhardt (1991) propagates that the number of case studies to be collected depends upon the new addition it makes to the existing set of information. Additionally, articles wherein theory is built from multiple cases are considered most interesting, especially in the case of archival research (Bartunek et al., 2006). Thus, we choose an archival research design for our study. We collected digital footprints using keywords like unethical brand scandals, sensitive brand scandals, brand advertisement issues, and others. Despite the news about the brand being present over the years, we selected recently posted articles for reviewing contemporary scandal perspectives and consumer online reactions to the articles. The archival research design involves two steps (Vogt et al., 2012). First, select the data for answering research objectives. Second, to investigate the existence of such data and select from the overwhelming amount of it.

A total of 72 case studies over a period of the last 17 years ranging from 2006 to 2022 to ensure diversity of cases and enhance the study's generalizability. This period is selected considering the changes in government regulations during the 2008 recession, climate changes, the pandemic, and recent UNDP's sustainable development goals. These case studies are analyzed based on the scandal country, Industry, founding year, scandal year, and type of the ethical scandal. The full table with case details will be presented at the IMT conference.

4. PRELIMINARY FINDINGS

The study highlights case themes with racism being the maximum followed by cultural insensitivity, gender inequality, labour exploitation, and others. Selected ethical brand scandals extend from brands belonging to developed countries like the U.S.A., Italy, and others, to developing countries like China, India, and underdeveloped countries like Bangladesh. The majority of these brands belong to the fast fashion clothing industry, followed by food & beverages, beauty, and others.

Additionally, reviewing these case studies, captured the sustainable corporate strategies like pulling down the advertisement, public apology, denying that the deed was intentional, bolstering, minimalization, and sometimes staying silent. Such brand scandals may act as a catalyst to conversation starters and provide limelight to the brand. On the contrary, brands showcasing actions in the form of greenwashing, low transparency, and switching to less or unheard harmful conduct often mistake to underestimate consumers. Brand scandals lead to negative consequences like consumer backlash, reduction in sales, reduced marketing effectiveness, reputation losses, as well as financial losses (Coombs, 2007; Huber *et al.*, 2010). While searching for case studies, the authors came across multiple brands other than the cases that are trying to improve gender parity or sustainability in their sectors like Zordan, Medtronic, Stella McCartney, Daikin, Durex, Pantene, Heineken, Dove, Barbie, and many others. Thus, examining the corporate actions of the brands that did not practice sustainable brand communications and got caught in a scandal as well as those adopting sustainable brand communication is a must for better generalizability.

Besides, consumers' pre-scandal attitudes about the brand may also impact their attitude about the scandalized brand. Previously, researchers held that there are multiple corporate communication strategies to be adopted like denying, bolstering, diminishing, staying silent, and others. However, whether a brand denies or prefers to stay silent, it must portray amendments to consumers through corporate actions. These corporate actions may be communicated by the brand directly or through channel members. Consumers are eager to see the first step of action taken by a brand showcasing that it cares about them. These corporate actions do influence the relationship between consumers' attitude about a brand and their attitude about the brand scandal in the case of a performance-related scandal (Kapoor & Banerjee, 2021). The bigger project shall aim to understand the triadic relationship between the consumers, channel members, and brand managers in the distribution chain in the case of an ethical brand scandal is our next step of scrutiny.

The study thus draws out marketers' perspectives during an ethical brand scandal to academia. Moreover, it shall support marketers with a pool of sustainable strategies that could be adopted to uplift the unprivileged. It shall aid in both overcoming the shortcomings of the past as a brand as well as preventing unethical brand scandals in the future.

5. CONCLUSIONS

Majority of the news posits that fast fashion brands are more prone to ethical brand scandals. These rely on forced labour, unsustainable fabrics, or unethical factory conditions. Majority of reviewed cases have ignored portraying gender equality while communicating with consumers. Additionally, a few other sportswear, beauty, and home decor brands portray themselves as practicing sustainability but no evidence of it is officially reported. It appears that public uproar about the unsustainable nature of these selected brands leading to a brand scandal is compelling them to be more inclusive, gender diverse, and environmentally cautious in their communications. As everyone is a potential customer for a brand any racist or unethical provocation might cause serious damage to the brand's reputation and existence ultimately leading to a brand crisis.

After these preliminary findings, further data interpretation may depict the sustainable corporate actions that have enabled brands to overcome or prevent an unethical brand scandal. As such, our results captured the digital presence of brand scandal stories, that showcase the mistakes that should be avoided by managers in the future. Furthermore, online customer reactions contribute to enrich the e-WOM (word of mouth), leading to the creation of a controversy cloud about the brand (Banerjee, 2018). These thought-provoking perceptions exist in the consumer's mind over a period and are revisited via the digital presence of the news about the scandal. Additionally, it depicts that consumers are more attached to the brand's value than the brand resulting in brand forgiveness.

This research limits the case studies collection based on convenience following Chen et al. (2021). It was done based on the top searches for the keyword aforementioned. However, to achieve a broader perspective, scandals in multiple years and industries were taken. The study can be expanded by understanding and validating the theorized model in a cross-country perspective. Future researchers may undertake the empirical validation of the model developed from the marketer's perspective.

REFERENCES

References will be provided upon request.