

# Crisis and brand management

[Business](#), [Company](#)



Strong brands are built around the experience of the firms and the trust the consumers had placed on the product with respect to its quality and usability. Issues that undermine the quality of the products put the brand image and the customer trust on the product under jeopardy. They also have their strong influence on the brand foundation. This is what that has happened to Johnson and Johnson after the Tylenol poisonings in the year 1982.

But the company had the capabilities of putting forth a an efficient crisis management that not only enabled the company save its brand but also made the company's actions to manage the situation provide a crisis management model for the companies facing similar situations. (Millward Browns, 2007) But the question remains is whether the crisis management model evinced by Johnson & Johnson still adequate for the brands facing crisis in the present day context of advanced information and communication technology.

Unlike the period and circumstances under which Johnson & Johnson faced the crisis situation, the world today is equipped with many more tools and models to mitigate the crises. This paper studies the available literature proposes to present an appraisal report on present day context of the crisis and brand management as compared to that of the model evinced by Johnson & Johnson. The paper will study and report on the usage of the communication tools in managing the crisis efficiently.

Introduction The comments of the professional in a brand strategy and consumer psychology company aptly describe the positions of the corporations in a crisis management situation. One of the most important aspects of crisis management is the development and implementation of a <https://assignbuster.com/crisis-and-brand-management/>

theoretical and effective media relations campaign. The importance of developing a crisis and brand management strategy in the present day hyper competitive scenario cannot be ignored by any company who is brand conscious.

There are no set strategic plans which are tailor-made for protecting the companies under situation of crisis. Hence it becomes necessary for the companies to develop and adopt strategies which help the management in facing the crisis arising to jeopardize the brand image. The objective of this paper is to make a study of the lessons learnt out of the Tylenol tragedy of Johnson & Johnson and to report on how far the present day multinational brand companies have provided for the crisis and brand management.

#### Objectives of the Study

The Research has the following objectives for crisis in brands: (1) What are the potential causes for a crisis to occur ? (2) What are the lessons learnt about the causes for failures? (3) What are the lessons of how firms have recovered ? (4) What is at stake for the companies when a crisis happens and what are the ingredients for an effective crisis management plan? (5) What are the ways in which the present day companies can deal with the new and different forms of communication and social media prevalent today?

#### Literature Review

Any issue that is of public importance is always ‘ media-drive’ and will develop into a crisis if the issue is not handled with skill from the start of the issue. (Al Tortorella) Hence it becomes important that a crisis management plan should be a part of an overall strategic management plan. (Victoria Johnson and Spero C. Peppas) “ A company must not only deal with the

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emergency but also do so with the entire nation, if not the entire world, looking on (Effective Crisis Management) The PR industry has an important role to play in helping companies identify and manage risks that could damage their reputation.

The topic of ‘ crisis management’ is becoming increasingly important worldwide, especially as an aftermath of disastrous events like Tsunami in South East Asia, the 9/11 attacks in the US, the bombings in the London Transport, crises in the corporate sector like in the case of Enron or Worldcom scandals, medical crisis like bird flu or SARS. These crises have made the governments of various nations to adopt crisis management strategies by specialised training to the authorities at various levels.

It may be noted that a majority of crises basically involves and result out of ethical issues. (PhilosophyConferences) The crises may take place due to the several reasons like: • ProductFailure- Example – Firestone Tyres • Human Failure – Example – Arthur Anderson – Enron • Management Failure – Example – Enron Worldcom • Natural Disasters – Example – Tsunami, hurricanes and earthquakes •Terrorism- Example – Example – 9/11 attacks (David Liss) The paper will provide a detailed review of the available literature on the crisis and brand management. Research Methodology

This research will be completed using the qualitative method which in turn will use exploratory research approach and content analysis approach to the extent the study collects information and data on the all the available literature on the various methods and tools that can be used by different firms to manage crises in their respective organizations. The research proposes to use other qualitative research methods for collecting secondary

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data from all available resources. Exploratory research becomes useful when a problem could not be defined clearly on which a research study needs to be undertaken.

By undertaking exploratory research the possibility of choosing the best research design and data collection method is greatly enhanced. The exploratory research relies largely on the information and data collected through secondary research. The method of content research analysis enables the researcher to analyse a large volume of data and systematically evaluate them to find out the relevance and suitability of the various information and data collected during the process of exploratory study.

While conducting a detailed research by adopting qualitative method, the researcher is usually provided with a large volume of data which needs to be evaluated by the researcher using his expertise and knowledge in the topic under study. The researcher has to take a clear stand on the research material he is going to use and categorize the information and data according to the degree of importance. While doing this the authenticity and importance of the source need to be considered by the researcher. In fact content analysis is an important step in completing any research.

Specifically this paper proposes to discuss the importance of the crisis management in protecting an existing brand in a crisis situation. This paper proposes to describe how organizations can use the modern day communication strategies to combat the negative effects of a crisis situation. The paper proposes to contend that by using effective crisis management models the organizations are better prepared to identify ‘spot fires’ which

will help the leaders of the organizations to diffuse the impact of the crisis before they can create any damage to the reputation of the organisation.

References: Al Torterella ' What is a Corporate Crisis' David Liss ' Fire Drill: Preparing for Crisis' [http://www.brandchannel.com/features\\_effect.asp?pf\\_id=116](http://www.brandchannel.com/features_effect.asp?pf_id=116) Effective Crisis Management ' The Exxon Crisis' <http://iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm> Millward Browns ' Crisis Management' pdf> Philosophy Conferences ' CFP: The Ethics of Crisis Management - Special Journal Issue' Victoria Johnson and Spero C. Peppas ' Crisis Management in Belgium: The Case of Coca-Cola'