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Reducing inequalities with sustainable brand communication: learning lessons from brand scandals

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Introduction

The research project focuses on providing guidelines for the brands to serve the discriminated members of both developed and developing nations. It is because sometimes brands (un)knowingly highlight such inequalities for their benefits through their marketing efforts that may face unpredictable consumer attitudes. Such reality derails consumers' pre-scandal perspectives about the brand and ultimately damages the entire distribution channel, including consumers (Kapoor et al., 2022). While brand evangelists may continue to reincarnate a favorable brand image, others affected by the brand's deeds may disengage with it. Thus, *this study primarily focuses on understanding the impact of an ethical brand scandal on consumers' attitudes about the brand.* The insights about these impacts on consumers would be catered from multiple sources- offline and online. Through retailers as they are connected to both the ends of the supply chain. So, they may be the first source of physical interaction by the consumers. However, consumers may directly portray their support/disappointment by venting out on social media. Both these sources are crucial to have an exhaustive understanding of the effect of an ethical brand scandal on consumers' behavior.

Going a step further, consumers are always eager to discover the brand's effort after the 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' efforts to reduce such inequalities should not be overlooked.*

The study also majorly focuses on *investigating ways in which brands communicate their sustainable efforts in case of a brand scandal.* 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 the issues and develop strategies to be adopted.

Brands have made efforts like legal processes, arbitration, or rituals to recompense for the original breach to re-build its reputation after such an ethical scandal (Sims, 2009). However, these strategies are applied post-brand scandal. There is an utmost need to adapt sustainability as a core value in a brand's value system. Especially for the weaker or unprivileged sections of our society, the situation has worsened with the covid-19 pandemic, leading to increased income inequalities and reduced availability of basic facilities and amenities (SDG's 2021 report- Goal 10). This aggravated our focus on the United Nations- sustainable development goal ten about reducing inequalities within and among countries. There are multiple reasons that a brand may not consider sustainability as an essential goal in their brand value system. It may not wish to be portrayed as a brand for the weaker section of the 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 for attaining necessities. Thus, there is a need to lay down ways of communicating such supportive efforts by the brands. These will make the needful aware as well able to take the benefits of their reach and offering. Sustainable contributions by brands shall act as a catalyst for those with no means of uplifting themselves. Accordingly, our research focuses on analyzing sustainable strategies to be adopted by brands that do not practice sustainability in their regime.

Under the broad umbrella of brand wrongdoing, researchers have widely used and defined brand controversy (Banerjee, 2018) and brand crisis (Bundy et al., 2017; Dawar and Lei, 2009; Kim and Jin, 2016; Vassilikopoulou et al., 2009). The brand controversy results from how wrongdoing is communicated, thus creating a flow of information that shapes the issue (Banerjee, 2018). Brand crisis happens because of an organization's inability to mitigate wrongdoing through actions and communication (Pauchant and Mitroff, 1992). In other words, the way communication about wrongdoing spurs often creates brand controversy. It may result in a controversy cloud (Banerjee, 2018), which, if not addressed, is often considered a brand scandal from the consumers' perspective. Additionally, organizations that fail to address consumers' concerns during a brand scandal often face a change in consumers' attitudes towards their brand, leading to a brand crisis. Thus, we 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 on 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). 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. Furthermore, we want to explore how learning from mistakes impacted further actions in those brand cases that faced diversity and inclusion scandals.

Literature background and gaps

Our literature background covers multiple topics, such as brand scandals, diversity and inclusion marketing, sustainability communication, crisis communication and marketing ethics. This research project plans to perform a structured literature review in search of theoretical roots of value-related scandals, in particular selecting ethical and social sustainability related brand scandals, with a specific attention to diversity and inclusion communication. Our preparatory study already suggests six research steps, four on the consumers' side, and two on the marketers' side. An overview of initial literature gaps, literature review and selected research methodology is presented in tab. 1. This paper aims to present this research project, to be performed in the next phases.

Tab. 1 Project design

Research steps and main objectives	Literature review and gaps	Methodology
		Consumer-based study
To analyse the consumer perceptions in the case of brand scandals.	Consumers are the survival strength of a brand. Previously, researchers focused on studies related to post crisis scenarios and its impact on consumers (Cleeren et al., 2017). Various studies on how consumers respond in case of a crisis have already been explored (Antonetti et al., 2019; Dean, 2004; Jeon and Baeck, 2016). However, a crisis is an unpredictable event that threatens the expectations of stakeholders and ultimately pose a physical threat to its physical existence (Coombs, 2014). While crisis involves studying a wrongdoing from organizational perspective, scandal involves understanding it from a consumer perspective. Kapoor & Banerjee (2021) recently studied the phenomenon of a performance-based scandal and its impact on consumer attitudes. It involved reviewing literature on brand scandal of last four decades. It further showcases an increase in number of articles on brand scandal from 2015 onwards. There have been a lot of studies previously on brand crisis and performance-based scandals. Besides there is paucity of literature on ethical brand scandals. Case-study analysis of ethical brand scandals like Volkswagen have been researched but from a	We would adopt a survey methodology and frame a broad structured questionnaire to grasp consumer responses. Scales for this questionnaire would be adopted from literature. To analyze the responses structural equation modeling (SEM) would be undertaken.

	crisis perspective and its impact on consumers (Blackwelder et al., 2016; Mansouri, 2016). Thus, consumer do hold an importance role in brand survival in case of a performance-based scandal. However, does the same is true for a value-based scandal is yet to be explored.	
To investigate the influential role of traditional channel members about the brand scandals on consumers.	When a brand scandal takes place it impacts the entire distribution chain, including consumers. Channel members in a distribution chain bridge the gap between a consumer and marketer. They are connected with consumers and marketers directly. In general, a consumer interacts with a local grocery retailer twice or thrice a week. They enter into multiple discussions building an emotionally strong consumer-retailer relationship. When the functionality of a product is in question, retailers become the first source of physical enquiry for consumers. Recently, Kapoor et al. (2022) propagated that retailers do hold an influential role especially in the case of a performance-related brand scandal. Existence of such an influence in case of an ethical scandal is not yet investigated.	Grounded theory methodology shall be adopted to copulate the theory out of the data. This shall be done with a phenomenology perspective and a case study approach.
To explore the effect of social media influencers about brand scandals on consumers.	Consumers are receptive to information from various sources involving both traditional and modern means of communications. The omnipresence of consumers on multiple social media platform exposes them with abundant information (Kapoor and Banerjee 2021). This information transforms into belief especially when supported by their trusted social media influencers. Interactions via different social media brand communities bolster and maintain consumer-brand relationships (Liu et al., 2018). When negative news about brand is funneled through social media platform, it spreads from one person to another with a snowball effect. People tend to spread negative news more rapidly than positive news (Baghi and Gabrielli, 2019). A consumer may act against a brand for damaging their brand trust. On the contrary, it may support the brand for the value it possesses. It can reasoned with the consumers' self-identification with the brand that ultimately leads to favorable brand perceptions (Kapoor and Banerjee 2021). Thus, consumers' response is unpredictable and we aim to understand the role of social media influencers in affecting consumer attitudes in the case of ethical brand scandals.	This research gap shall be explored using a survey method. A broad questionnaire shall circumvent the influential capabilities of social media on consumers during and post a brand scandal. Additionally, content analysis of the information shared over the social media about the brand and brand scandal by the consumers shall be analyzed.
To inquire about the effect of corporate action on consumers' views in case of brand scandals.	Previously there have been a lot of primary and secondary response strategies developed but in the case of a crisis. While primary strategies involve recalling, denial, scapegoating, compensation, and apology; secondary response strategies involve reminder, ingratiation and victimage (Coombs, 2007). Mishra (2017) propagates that for effective corporate actions, an organizations' response should be consumer-centric and not based on scandal type. However, we contradict by investigating the influential role of corporate actions on consumer attitudes in a different type of scandal (value-based) compared to an existing study on performance-based scandal (Kapoor et al., 2021).	The importance of corporate action shall be validated through a separate segment in the broad questionnaire. Similarly, analysis of the data shall be done using SEM.
Research Gap	Literature Review (Why)	Methodology (how)
		Marketer based study
To investigate appropriate brand strategies by which brands can	It is expected from 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; Kovoov-Misra, 1996; Pearson and Mitroff, 1993). There is	Appropriate strategies during and after a brand scandal shall be defined using a multiple case

<p>communicate their sustainable efforts before and after an ethical scandal.</p>	<p>an utmost need to adapt sustainability as a core value in a brand's value system. Especially after these unforeseen times of the covid-19 pandemic, for the weaker or unprivileged sections of our society, the situation has worsened with the covid-19 pandemic, leading to increased income inequalities and reduced availability of basic facilities and amenities.</p> <p>There are multiple causes that brands may not consider sustainability as an essential goal in their brand value system, especially when it deals with international marketing strategies. Sometimes brands (un)knowingly highlight inequalities for their benefits through their marketing efforts that may face unpredictable consumer attitudes. This unethical communication is often a cause for brand scandal (Wang and Alexander, 2018; Kapoor et al., 2021). Such reality derails consumers' perspectives and ultimately damages the entire distribution channel, including consumers and the society in general. Thus, this project is focused on reducing inequalities within and among countries (SDG's Goal 10) through a better brand communication.</p>	<p>study methodology. As single case study limits the generalizability of the results (Mena et al., 2009). These case studies shall be selected from the industry with higher number of scandals-consumer goods. Additionally, in-depth interviews with marketing managers of the same company shall be undertaken whenever necessary.</p>
<p>To analyze the learnings by mistake of a brand to avoid future brand scandals.</p>	<p>This objective aims to evaluate the impact of sustainability related brand scandals on consumers' beliefs and behaviour. Both online and offline sources are crucial: while brand evangelists may continue to reincarnate a favourable brand image, others affected by the brand's deeds may disengage with it. It may result in a controversy cloud (Banerjee, 2018), which, if not addressed, is often considered a scandal from the consumers' perspective. Furthermore, there is an unrevealed potential educational role of brand scandals analysis. Thus, it is important to unravel the lessons learned from brand scandals and the educational role of sustainable communication.</p>	<p>To discover the preventive measures that brands should practice in order to avoid being caught in a scandal or a subsequent scandal by the same company, we shall apply qualitative methodology. In-depth interviews with marketing managers of the brands that have faced a scandal shall be undertaken. We shall then develop appropriate measures by scrutinizing these interviews and copulating a theory out of the data collected using grounded theory methodology.</p>

Our research design covers multiple perspectives, which in tab. 1 logically started from the consumers' side because, in protecting their important values, consumers are gaining more and more power in their relationships with brands. The market is sometimes driving a change, but many companies still play a crucial role in sustainability education. So, we will touch the two sides sequentially, starting from the managerial side rather than the consumer side, reversing the importance of these two players, to put the marketers' role in priority because they are responsible of brand communication efforts. Our two main research questions wants to help companies in finding the right solutions in adopting sustainable communication for reducing inequalities, also learning from past scandals and failures. Our main research questions are as follow:

1. How brands can reduce inequalities through sustainable communication practices, before and after a brand scandal?
2. What lessons learned from mistakes can overcome this kind of sustainability-related scandals in the future?

Methodology

The study applies a *mixed-method approach* to achieve its objectives. A mixed-method approach involves the adoption of both qualitative and quantitative means of research for a particular study (Filipe et al., 2017). A qualitative approach helps to understand the prevailing scenario or the existing reality. While a quantitative approach aids in validating the current reality. Selected research methods are suggested in tab. 1, while research approaches are described below.

The study initially applies a *qualitative technique involving grounded theory methodology*. It aims majorly at copulating theory from the data collected (Connell and Lowe, 1997). We achieved this by developing broad research questions exhaustive of the unexplored domain. The data collection revolves around these research questions, eventually cultivating into a theory. Time-taking activities like brainstorming and mental mapping of these broader research questions to build a questionnaire for in-depth interviews are crucial. We use the phenomenology approach for framing the central questions. In this, questions are broadly stated without specific reference to existing literature or a typology of questions. Moustakas (1994) held that phenomenology addresses questions catering to what the participants experienced and in what context or situation they experienced (Glaser and Strauss, 2017). Thus, *in-depth interviews will be conducted with marketing professionals of Italian internationalized companies, present in both Italy and India*. We selected these two countries not to compare them, but to explore if multicultural aspects and distant cultures have any influence in actions and reactions. Additionally, our study involves utilizing multiple case studies wherein sub-questions (related to the broad research question) pertain to the description of the cases, and emerging themes are also studied. Once the theoretical model representing the theory is framed, it may then be validated through hypothesis testing later.

Subsequently, to understand from a consumers' perspectives, we may adopt a quantitative tool -survey methodology. A questionnaire shall be circulated amongst consumers of the brands across both countries to understand the differences and similarities in their attitudes in case of an ethical brand scandal. The results could be empirically validated by using Structural Equation Modeling (Anderson and Gerbing, 1988; Arbuckle and Wothke, 1999). Additionally, the understandability of consumers' attitudes shall be further enriched from the other channel members of the supply chain, both offline and online means. In other words, we may enquire retailers- offline source and also analyze consumers' reactions on social media- online source. These shall act as a confirmatory substance to the actual consumers' attitudes obtained from the survey.

Expected findings

The outcomes of this research project will be beneficial for both academicians as well as marketers. The way consumers behave and perceive a brand in case of an ethical brand scandal will enrich the literature as well as guide marketers to be prepared on how consumers might react to their marketing efforts.

Additionally, the study copulates ways in which marketers have communicated their sustainable initiatives in the past to consumers to survive a value-based scandal. This theorized model may become an avenue of empirical validation for future researchers. Moreover, it shall act as a blueprint to marketers willing to include social sustainability as a part of their brand's values and deeds. Apart from the theorization of this model, ways through which marketers have communicated strategies to consumers shall be discussed. The study majorly focuses on highlighting the sustainable brand actions that are recognized and appreciated by consumers. These may aid a brand in preventing an ethical-brand scandal in the future.

Furthermore, the study lays down the impact of an ethical brand scandal as well as strategies adopted thereafter on consumer attitudes. Besides, multicultural and international marketing considerations will aid marketers in bolstering their brand position across nations. It would also enable a brand to be prepared about the possible consumer reactions in the case of an ethical brand scandal. Marketers shall gain insights about the importance of global supply chain members and ways to leverage them to reach the underprivileged. This would help brands to leave an impression in the mind of consumers and mark its presence.

These appreciated efforts may also act as a shield and mitigate the damage to a brand caught up in an ethical brand scandal. Moreover, this study shall provide marketers with a pool of strategies in the case of an ethical brand scandal. Others may also adopt such sustainable initiatives to uplift the unprivileged and overcome its shortcomings of the past as a brand.

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