Ooh, you know what Bill’s doing now? He’s going for the righteous indignation dollar. That’s a big dollar. A lot of people are feeling that indignation. We’ve done research—huge market. He’s doing a good thing.

(Late comedian Bill Hicks on advertising and marketing, cited in Fluffy Links, 2015)

LEARNING OBJECTIVES

When you finish reading this chapter, you will be able to:

1. Appreciate the ethical challenges arising from branding
2. Apply a contextual-based ethical framework to branding
3. Understand the idea of brand purpose
4. Evaluate authenticity challenges and opportunities arising from brand purpose
5. Explore contemporary ethical issues in relation to branding
INTRODUCTION

Hardly a day goes by without a brand being accused of acting unethically. Accusations span a whole range of real and perceived breaches of moral codes, including reinforcing pre-existing stereotypes of minority groups, exploitative work practices, environmental destruction, support for despotic regimes, profiting from war, and causing consumer and societal harm through selling unhealthy products, dangerous products and so on. Furthermore, some brands seem to court controversy, while others, embracing a new-found sense of purpose, attract even greater criticism and claims of inauthenticity and hypocrisy. Critics, as with the RETHINK SHINOLA campaign in the next chapter, trawl through the brand’s backstory and social media feeds, to generate further criticism of particular brands. Yet, while to many, these claims appear to be simple issues of right or wrong, the reality is often more complex, with brand managers often having to balance conflicting pressures and demands giving rise to wicked problems and messy solutions. In this chapter, we examine this interplay between ethics and branding, and the role of purpose-driven strategies in authenticity.

In many ways it’s fair to ask, “why ethics?” when it comes to branding. Some consider brands to be commercial entities and hence their managers are motivated to maximize profits within the relevant legal frameworks they operate in. Others may go further, arguing that within the boundaries of the law, brand positioning and reinforcement sometimes requires breaching convention. For example, clothing retailer Abercrombie & Fitch was notorious for breaching social norms around acceptance and tolerance (what some might call “political correctness”). The brand was chastised for preferring a certain type of retail assistant (typically slim, muscular, and reinforcing stereotypes about attractiveness), going so far as to require disabled employees and those that don’t fit the stereotype to work in back-stage roles that involve no front-stage engagement with the customer. Former CEO Mike Jeffries caused outrage when he responded by arguing that such companies are in danger of becoming “vanilla” by trying to appeal to everyone (quoted in Lutz 2013). However, are his actions unethical? From the viewpoint of brand positioning, he has a point. For a while, Abercrombie & Fitch profited because it was ruthlessly consistent. However, their audience eventually moved on, the backlash became stronger, equity fell, and Jeffries was forced to issue an apology. Eventually, he was ousted, resulting in the biggest one-day gain in share price for the company in nine months.

Brands are increasingly being challenged to live up to their espoused values, many of which are viewed by stakeholders as implying ethical standards of behavior. Failure to live the ethics of the brand is taken as a signal of a lack of sincerity (i.e., character), the key driver of a brand’s authenticity (Morhart et al. 2015). Critic of capitalism Naomi Klein (2000) took this approach in her best seller No Logo. This book, which attracted a large mainstream audience (and ironically gave rise to a range of logo-free branded goods), challenged brand managers to think more broadly about their ethical obligations, and in effect, undertake audits of all the brand’s practices, including in particular the treatment of staff in offshore factories contracted to produce branded products.

Instead of attacking brands as agents of capitalism, Klein engaged in a more subtle critique of brands, holding a microscope to the practices of organizations behind the brands, and finding significant gaps between their aspirational messaging and values and their actions in relation to labor standards, health and safety, environmental standards, lobbying, the impact on local communities and
Even more market-friendly writers on brands identify the need for increased ethical standards. For example, Bruce Philp's (2012) book *Consumer Republic: Using Brands to Get What You Want, Make Corporations Behave, and Maybe Even Save the World*, takes up where Klein left off, arguing that since a brand's value is tied up in symbolism, they are easy targets for ethical critiques. However, unlike Klein, Philp argues this makes brands potential agents for wider social change, with brand managers encouraged to take leadership positions on key ethical issues, purely out of long-term self-interest. Philp notes that since brands do not enjoy the invisibility of commodity producers (compare the criticism leveled at Starbucks regarding environmental impact and returns to coffee growers vs. the lack of criticism aimed at commodity traders who account for most of the global sales of coffee beans), embracing higher ethical standards is the “new normal” for brand marketers.

Figure 11.1 locates the discussion of ethics within the brand authenticity framework used in this text. Following Klein's critique, ethics is first a function of reinforcing the brand's authenticity. Brand criticism, parodies, doppelgängers, nationalistic backlashes and other forms of attacks from influencers represent an authenticity challenge, whereby the critics hold that the brand is nothing more than a poseur. This view arises because of perceived deficits in consistency (in the case of Klein), and also conformity to macro and meso context norms (discussed in Chapter 8). One means of responding to this has been to invest in a strategy called “brand purpose,” something we will explore in more detail here. Ethical criticism can also arise when brands attempt to innovate culturally but fail to become an insider, thus leading to charges of exploitation and co-optation. Finally, brands, such as Innocent, Kat von D (Chapter 2), The Body Shop, and Ecotricity (discussed at the end of this chapter) began with a strong ethical purpose, moving from nascent brand to authentic brand over time following the same practices discussed in earlier chapters.

In this chapter we explore the underlying differences between views such as Klein and Philp. Although there are different frameworks for marketing ethics, this text adopts a contextual approach as this is most consistent with co-creation and the dynamic framework for authenticity used. The
emerging strategy of brand purpose is explored first, before we examine some particular ethical challenges arising from co-creation as well as some potential X-to-G issues to trigger further discussion. The chapter ends with a case study on UK sustainable energy brand, Ecotricity.

TWO APPROACHES TO UNDERSTANDING ETHICAL CHALLENGES IN MARKETS

Why do ethical challenges arise in markets? And how can they be addressed? Naomi Klein’s and Bruce Philp’s different approaches to branding and ethics reflect different answers to this question. For Klein, ethical problems are an inherent part of the market system, whereby brands are more part of the problem than part of the solution. For Philp, ethical problems arise from market inefficiencies, which can be partly addressed by brands.

Academic research calls the first view the “critical approach” and the second the “developmental approach” (Mittelstaedt et al. 2006). Critical theorists view issues such as overconsumption, environmental degradation, speciesism, racism, gender discrimination, worker exploitation, tax avoidance, and so on as problems inherent in the capitalist system (Bradshaw and Zwick 2016; Tadajewski et al. 2014). Developmental theorists view markets as critical systems for social development and human welfare (Mittelstaedt et al. 2014, p. 253). Any negative consequences of marketing action are treated much like they are in the dominant schools of economics—they are externalities or negative spillovers, resulting from information inefficiencies and asymmetries, poorly written regulation, or inadequate property rights. Differences in how each approach views the challenge of environmental sustainability are presented in Table 11.1.

The developmental school places an emphasis on information campaigns, corporate social responsibility (CSR) programs, technological innovation, and behavioral change through “nudging”. Nudging is defined as “ways of influencing choice without limiting the choice set or making alternatives appreciably more costly in terms of time, trouble, social sanctions, and so forth. They are called for because of flaws in individual decision-making, and they work by making use of those flaws” (Hausman and Welch 2010, p. 126). Nudging does not focus on regulating or banning actions that cause negative consequences; rather, the focus is on understanding the limitations of decision-making in particular contexts and making small changes to nudge users to engage in “better” behavior (although “better for whom” is a matter of debate). For example, rather than banning sugary food, advocates of nudging might suggest better labeling systems, better placement of fruit in store, and so on.

The critical school suggests such approaches are at best naïve, or at worst, examples of corporate “washing.” Consider Stella McCartney’s commitment to sustainability alongside her co-branding with fast-fashion brands such as Adidas and H&M. McCartney’s brand expansion via partnerships is part of a strategy to challenge traditional stereotypes about sustainable fashion being for the wealthy or for those unconcerned with style. Developmental theorists would argue this is an example of market correction, of brands placing sustainability and animal rights on the agenda and shifting the practices of large, fast fashion brands.

In contrast, critical theorists would say that McCartney’s belief in reconciling sustainability and fast fashion is hopelessly naïve (although motivated by good intentions). McCartney after all is part of
the Kering group, a large luxury conglomerate whose success is determined by meeting shareholder demands for increased quarterly profits. Although McCartney may take a position on sustainability, she is inevitably tied into a fashion system that is becoming ever more productive (gone are the days of seasonal releases; many luxury fashion houses such as Burberry now release as many as 14 collections a year and insiders suggest this is too slow). Should sustainability become “hot,” demand for natural resources increases, more clothing is purchased, as eventually does waste (much fashion goes to landfill without ever being used), because unsustainability is inherent in the market for fast fashion.

Such problems also affect advocates of slower forms of production or consumption, including emerging movements focused on mindfulness or wellness, which uncritically stress temporary retreats from the rush of everyday life, as a means to recharge to be more effective in the same stress generating system (Husemann and Eckhardt 2019). Slow living, for example, is offered as an alternative to the globalized, mass-branded, fast lifestyle. Emerging in the 1980s out of protests over McDonald’s opening an outlet in the historic Italian town of Bra, Slow Food eventually extended the “brand” to include health, fashion, design, and even branding. The logic of slow makes some sense in relation to food as the focus is on tried and tested production techniques, enjoying producing and consuming meals, and celebrating variety.

However, extending this logic into design, technology, and fashion is more difficult. Slow fashion, for example, advocates buying fewer but better clothing (i.e., classic pieces), vintage styles, and in some cases re-using, re-designing, re-purposing, or being able to re-sell clothing. However, even fashion practitioners identify how difficult is the balance of commitment to ethical fashion and sustainability with the consumer desire for variety and commercial viability (even for small labels not accountable to large shareholders) (Fletcher 2016). Advocates of slow design also can appear to offer unintentionally naïve responses to sustainability challenges. Designing things from re-used materials for example (Beverland 2011; Walker 2006) may simply result in new ways of expressing consumer identity, turning such objects into fashions, and thereby perpetuating the system they were designed to challenge (Shove et al. 2007).

In response to many challenges, particularly claims of fueling obesity, gambling and other addictions, environmental destruction, debt, and overconsumption in general, many policymakers and corporate spokespeople place the onus back onto the consumer to take responsibility for their actions. However, in a recent study on the role of the Davos Forum, researchers Markus Giesler and Ela Veresiu (2014) noted how criticisms of capitalism were reframed in terms of consumer responsibility. This shifts the moral obligation away from brands and onto consumers. Others have noted how this discourse is in fact a clever “governing mechanism” that allows brands to avoid ethical questions, and reinforces unsustainable practices among consumers. In many Western nations, the dominance of neoliberalism as a political-economic philosophy means consumers are hardwired to buy into the personal responsibility logic. While consumers undoubtedly have great market power (in terms of their ability to withdraw their patronage), others have noted that many actual improvements have been driven by legislated changes (Holt 2012) and supplier actions such as Fair Trade initiatives (Davies 2007), and that consumers often lack the ability to make the necessary changes (Longo et al. 2019).

Critical approaches call for more radical challenges to the dominant market view. Culture jamming collective Adbusters founded “Buy Nothing Day” (November 25 in the USA) as a reaction to a culture of consumption and materialism. There are many movements with similar motives, including
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downshifters, off-gridders, communes, freegans (who liberate perfectly edible food waste), and other
waste liberators (such as those consumers who go through household trash for items of clothing
that are still usable). Connecting all these groups is a commitment against overconsumption and the
wastefulness of the present market system. Some brands have even built strong market positions
around this. The most famous is environmentally positioned brand Patagonia with its 2011 “Do not
buy this jacket” campaign. Concerns over waste have forced many UK supermarkets to run “ugly
fruit and vegetable campaigns,” while in 2016 France became the first country to outlaw supermarket
food waste (food waste is complex and is covered in the section on sustainability).

This has given rise to an interest in anti-consumption research. However, is it possible to escape
the market? One celebrated attempt is the Burning Man festival in the Nevada desert. Originally,
this festival aimed to provide respite from the commercial world. The festival was formed around
a large man sculpture, and ended when the sculpture was burned and no physical trace of the event
remained. Studies of this festival identify that it is difficult to escape a market system for long, and
recently Burning Man has become seen as a playground for wealthy tourists keen to add this event
to their bucket list of must-see experiences (Kozinets 2002). Eric Arnould (2007) argues that it is
impossible and undesirable to escape the market, especially since those truly excluded from the mar-
ket due to a lack of economic resources are most in need of the many goods and services provided
by it. Anti-consumption also suffers from definitional challenges (we actually can’t escape the need
to consume), and is best approached in terms of reduction, resistance, and alternative market logics.

So which school is right? The answer is that both have strengths and weaknesses. The critical
school alerts us to the limits of choice. In the case of brands for example, an emphasis on sustainability
is all well and good, but investors demand growth, undercutting the purity of environmental claims.
The developmental school identifies the possibility of pro-social change, whereby brands can take
authentic leadership positions on ethical issues (for example Patagonia, Pret a Manger, and Tesla),
even after accounting for the limitations of such actions identified by the critical school. Although
an emphasis on brand purpose sits more comfortably within the development approach, it is also
important to consider the tensions highlighted by the critical school when developing key messages
and programs, and to be aware that such activities will attract criticism from the likes of Adbusters
(the culture jamming group behind “Buy Nothing Day”).

TABLE 11.1 Developmental vs. critical approaches to sustainability

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Developmental school</th>
<th>Critical school</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>The focus here is on how markets and marketing systems can ensure technologies to deal with how environmental problems (including global warming) are created and adopted widely by market actors. Technological change (usually in terms of advancement) is the solution to environmental challenges.</td>
<td>Marketplace reliance on technological utopianism is misplaced and enables one to frame problems resulting from unsustainable economic systems as “manageable.” This creates a false sense of hope amongst consumers, and represents a barrier to the changes necessary to avert global warming and other environmental disasters. Negative environmental impacts of technology are underestimated.</td>
</tr>
</tbody>
</table>
**ETHICS AND BRAND PURPOSE**

Dimension | Developmental school | Critical school
--- | --- | ---
Political liberalism | Environmental problems are a result of the “tragedy of the commons” or the lack of property rights in relation to natural resources such as air, water, non-human species, and land. Strengthening property rights would enable current externalities to be internalized (for example, if people held rights in the atmosphere, pollution would become a cost that would need to be borne by the polluter). | The notion of voluntary exchange inherent in political liberalism is unrealistic. Nations, firms, and individuals are unlikely to change their behavior and attempts to create voluntary exchanges to deal with carbon emissions for example have often failed.

Economic self-interest | How can we align the self-interest of actors with sustainability goals? Examples include identifying the price premium and market advantages of vegan products, organic produce, and CSR commitments. | The institutional systems in which we operate ensure the self-interests of some outweigh that of the environment, and that many of the developmental school’s initiatives (e.g., organic food) may be more harmful to the environment.

Anthropocentrism | Sustainability is defined in terms of our (i.e. humanity’s) long-term survival. | Humanity’s belief in dominion over nature and non-human species is part of the problem.

Competition | Competition necessitates innovation and change. Therefore markets should be harnessed to ensure sustainable outcomes, including emissions trading systems. | Competition consumes resources and more cooperative approaches are likely to render better results.

Source: Adapted from Mittelstaedt et al. (2014, pp. 259–260)

**BRANDING ETHICS: NORMATIVE VS. POSITIVE APPROACHES**

Academics and practitioners have long given thought to the ethics of marketing, both in general and in relation to particular actions. In this text we adopt what is known as a contextual approach to ethics. This approach to ethics is consistent with a co-creation approach to value, and provides brand managers with a framework to prevent brand crises arising from ethical infractions (brand crisis management is covered in Chapter 12). Before examining a contextual approach to ethics, it is worth briefly reviewing two previous ethical frameworks used by writers on marketing ethics: deontological and teleological approaches.

1. The deontological approach to ethics stresses adherence to a set of universal moral principles. Examples include religious frameworks and universal rights frameworks. These approaches frame ethical questions in normative terms of “what ought to be” and stress the need to live strictly by a clear code of right and wrong. One example of this is Laczniak and Murphy’s (2006) seven basic perspectives that ought to guide marketing activity: (1) ethical marketing puts people first; (2) ethical marketers must achieve a behavioral standard in excess of the law; (3) marketers are responsible for whatever they intend as means or ends as a marketing action; (4) marketing organizations should cultivate better moral imagination in their managers and employees; (5) marketers should articulate and
embrace a core set of ethical principles; (6) adoption of a stakeholder orientation is essential to ethical marketing decisions; (7) marketing organizations ought to delineate an ethical decision-making protocol (Parsons 2009, pp. 125–126). **Normative approaches** stress ethical expectations in terms of “shoulds” and therefore frame all behavior. However, one obvious challenge arising in this approach is to decide which set of rules should be followed, since there remain a vast range of moral philosophies and legal systems. This limits the practical value of such systems, especially in the context of global branding (see Chapter 10).

2. Teleological approaches to ethics focus on the goals and needs of decision makers and the likely consequences of their actions (Parsons, 2009, p. 124). Whereas deontological theories debate the nature of the set of rules to judge actions against, teleological theories take a perspective on whose good to promote—for example ethical egoism focuses on self-interest while utilitarianism focuses more on the greatest good for the greatest number. In contrast to normative approaches, teleological approaches are often called **positive approaches** to ethics because they attempt to describe and explain what is (rather than what ought to be). The most influential model of marketing ethics is Hunt and Vitell’s (1986) general theory of marketing ethics, and the classical approach to marketing ethics presented in Figure 11.2. How individuals think about ethical problems is a function of their context, their experience, their goals and assessment of consequences, and deontological values. In this model, brand managers do not act according to the seven ethical principles stated above but according to a mix of contextual influences, goals, and normative rules.

![Figure 11.2: Standard model of marketing ethics](image_url)

Each of these schools frames brands’ ethical obligations differently. The **normative approach** typically treats brands’ ethical obligations from the standpoint of moral obligations, or a normative viewpoint. Many activists take this stance, suggesting it is simply wrong to pollute the natural environment, exploit humans and non-humans, misrepresent data, invade privacy, encourage overconsumption, reinforce existing gender, racial, and other stereotypes, avoid taxes, and so on. The **positive approach** would examine these differently, possibly pointing out the benefits to workers in developing economies of increased employment opportunities, the benefits to society of economic growth, the trade-offs involved in privacy vs. information provision, and identify the commercial benefits of taking a strongly ethical stance. This approach has more in common with the developmental approach to ethical challenges, which emphasizes information and regulatory failures.

These approaches are not without their limitations. Both frameworks are often good in explaining ethical breaches in hindsight but not that useful for dealing with ethical issues as they arise. Although advocates of the positive approach critique the deontological focus on normative actions, Hunt and Vitell’s (Figure 11.2) general theory of marketing ethics still falls back on normative standards or values. Normative approaches are not particularly helpful in addressing the many gray areas and paradoxes that confront marketers. For example, how does one balance home nation restrictions on paying bribes overseas with cultural norms in other nations where such actions are a necessary part of getting business done? And how does one balance personal values with the necessities of getting things done (Thompson 1995)? Also, simple caution not to invade consumer privacy, for example, fail to take into account the value consumers may place in giving up some private information, or the benefits to society of allowing charitable and research agencies to access consumer contact information (Yap et al. 2011). Abstract codes for ethical behavior often contained in corporate social responsibility (CSR) policies often lack guidance in particular situations.

Others note that ethical marketing and consumption discussions are characterized by problematic intention–behavior gaps, reflecting the struggle to be themselves and fit in. For example, it is common for marketers and the media to talk of ethical consumers as a type of market segment. This logic suggests there is a certain group of consumers who are intrinsically ethical, who use their values to guide their purchases. These consumers are believed to be both valuable and potentially quite influential in terms of setting trends and shaping the diffusion of so-called ethical products (such as Fair Trade, sustainable products, cruelty-free products, and so on). As economies develop, it is also believed that this segment will grow in size, as people become less concerned with economies and more concerned with morality. More importantly, these consumers will, through their actions, force companies into investing in corporate social responsibility policies and taking them seriously.

How real is this ethical consumer? Research by Devinney et al. (2010) suggests “not very” (hence the title of their book *The Myth of the Ethical Consumer*). These authors identify that apart from small groups of activists or groups such as ethical vegans, the number of consumers willing to pay more for ethical products resulting from corporate social responsibility strategies is limited. Ethical products that under-deliver on functionality are less likely to be chosen over their mainstream counterpart. This insight is why many early versions of “green” products failed; too often, they involved consumer sacrifice, something that the majority of users are not prepared to put up with, despite their stated commitment to ethical values. Devinney and colleagues identified that context matters more than intent—when one asks consumers in private if they will buy Fair...
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Trade, for example, few state they will; however, in public this number goes up to 70 percent. These types of intention–behavior gaps are common and reflect social desirability bias (i.e., the desire to be seen to fit in). No one wants to admit in public that they don’t care about the environment, overseas workers, and so on, but when it comes to actually choosing a brand, considerations of performance and price dominate. This observation presents challenges for those advocating brand purpose or ethical commitments.

These various limitations led Craig Thompson (1995, p. 177) to conclude:

Current models of marketing ethics do not sufficiently address the multitude of contextual influences that are intrinsic to ethical reasoning … and it is questionable whether research in marketing has led to significant improvements in the ethical climate of marketing practice.

A CONTEXTUAL APPROACH TO BRAND ETHICS

A contextual approach to brand ethics emphasizes the important role of context, both individual and collective, in shaping expectations and actions. For example, it is possible to imagine a dark side of being oneself, including overconsumption and debt (Chung et al., 2018), and unintended spillovers from a desire to fit in, such as excessive alcohol consumption and problem gambling arising from early-age participation in family betting (Westberg et al., 2017). Identity factors such as associations between wealth or masculinity and meat eating have led to greater environmental damage, lifestyle diseases and increased pressure on health care systems (Beverland 2014), and potentially increased the chances of the emergence of animal-borne viruses (not to mention the harm done to the animals themselves). Attention to context is critical in dealing with the reality of ethical decisions, and would have helped New Zealand dairy giant Fonterra avoid the tainted milk scandals in China (2008 and 2013), the UK horsemeat scandal (2013), and environmental disasters such as that which occurred at Union Carbide in Bhopal, India (1984).

This is important because user behavior (see Chapter 2) involves tensions between the desire to be oneself and also the need to fit in. An emphasis on context also enables decision makers to adapt ethical actions within different cultural contexts and also over time, in response to changing norms. Advocates of this approach seek to understand how current and historical contexts resulted in harmful actions. For example, scientists agree that bottled water is unsustainable and that consumers should be encouraged to drink tap water. However, bottled water was a solution to perceived dangers within existing water supplies, many of which had been polluted by industrial waste. As such, bottled water solved a genuine consumer need, but nonetheless resulted in air miles, energy use, plastic production, and waste (the solution would have been to clean up public water supplies). Despite the best intentions, consumers have over time become ideologically locked into the idea that bottled water is necessary for health and better than tap water (Holt 2012). How?

Over time, a combination of US-based media scares about water pollution resulting from the dumping of toxic chemicals (and images of tap water actually catching fire), marketing claims about the need for constant hydration, and brand managers’ positioning of water using cultural codes expressive of purity, nature, and authenticity ensures that consumers take for granted the idea that bottled
water is superior. This contextualist ethical approach aligns much more with a critical approach to ethical challenges and emphasizes government interventions (including bans) such as forced recycling (many European countries require bottlers to pay a small fee to people returning their used bottles) and government-subsidized in-home water filters to overcome this behavior. Initial subsidization of solar panels in Australia resulted in a significant uptake of renewable energy, and saw consumers benefit by selling unwanted power back to the national grid.

The contextual model for branding ethics is presented in Figure 11.3. A contextual approach argues that ethical dilemmas arise out of the interplay of different contexts, ideologies, actors, interests, and evaluations. Referring to Figure 11.3, a contextual approach accepts the multiplicity of cultural meaning and value systems. Consistent with our definition of branding, a contextual approach assumes all chosen values are culturally situated. In practice this means that ethical dilemmas, such as those involving the clash of cultures, can at least be helped or addressed by attending to the subtleties of a target culture (including different nations but also the norms underpinning the various consumer communities covered in Chapter 9). One example involves the backlash against KFC’s Australian advertisement in the discussion on polysemy in Chapter 10, whereby the advertisement’s connotations differed significantly between Australia and the USA.

1. A contextual approach to brand ethics also accepts that the decision maker or marketing agent is also culturally situated. The context in which brand managers act is often defined

FIGURE 11.3  Contextual model of an ethical dilemma

by a set of values or beliefs, which is referred to as organizational culture. In reality, actors may draw on an organization-wide culture (shared across the firm), functional beliefs and values (e.g., the marketing philosophy or ideology), and personal values (Martin 1992). For example, ethical breaches in the UK banking system were often attributed to rogue individuals, yet investigations demonstrated that these traders were rewarded for risky actions, regardless of the ethical consequences. Widespread knowledge and acceptance of phone hacking was also demonstrated in the *News of the World* case in the UK. In this sense, firm culture, and/or functional subcultures, may represent boundaries to ethical decisions, locking people into an interpretive frame that triggers motivated reasoning, leading employees and managers to exclude information necessary to avoid ethical harm.

2. A contextual approach to ethics also emphasizes cultural meaning systems and the moral point of view (see Figure 11.3). In contrast to many of the stylized ethical dilemmas presented in intention–behavior gap type studies (often “lifeboat” examples), real ethical decisions are often defined by their lack of certainty and clarity. Typically, everyday moral challenges involve metaphorical shades of gray, which reflect the shifting and pluralistic nature of societies in general. It is rare, for example, for everyone in society to agree on a particular set of ethical standards—for example, open societies are characterized by ideological diversity, different viewpoints, and even seemingly contradictory approaches (atheists, for example, do not always reject religious values, while many religious institutions have suffered scandals at odds with their foundational teachings). What is subject to ethical consideration and the standards used to changes. Over the years, some societies have become more sensitive to environmental destruction, species loss, discrimination, privacy, and the rights of non-humans. These changes render many previous approaches to advertising, ingredient choice, information acquisition and use, and attitudes to globalization and profit maximization ethically suspect. Simple appeals to abstract principles or policies may no longer be valid because it may be difficult to know which competing stakeholders’ interests one should preference and which principle to apply.

3. Consistent with the logic of co-creation, a contextual approach to brand ethics also focuses on the interpretations of relevant stakeholders. Extending the discussion on cultural meaning systems and a moral point of view above, defining stakeholders and their relative influence is difficult and the competing viewpoint of each renders normative principles impractical (Figure 6.3 in Chapter 6 provides guidance on this). Whose concerns should be taken into account? Why? How should one prioritize interests? How does one solve competing demands? Normative CSR policies often struggle to answer these very real questions or trade-offs. Ethical norms within the macro and meso contexts may also shift quickly (see Chapter 9 for a discussion of this in the context of communal branding), generating doppelgänger images for brands and perpetuating crises of authenticity and negative brand equity.

4. Shifts in the wider macro context can also influence the perceived morality of brand marketing actions (see Figure 11.3—Societal evaluations of marketing actions). For example, the 2020 Covid-19 virus was a game changer for many brands and critically, influencers,
whose idealized lifestyle suddenly looked completely out of touch with the reality of users concerned about loss of livelihood and potentially their lives. These changes partly reflect the X-to-G shift explained in Chapter 4, where what was once acceptable or taboo (zero-sized female models, homophobic or racist stereotyping, gender stereotypes, animal use and so on) has changed. For example, the explicit sex shown in shows such as Game of Thrones has rendered former icons such as Playboy aloof and irrelevant (so much so that it made the decision to end nudity in its once iconic magazine). Likewise, up until the mid-1980s in many nations, it was perfectly legal to advertise cigarettes in the mass media, and identify their use with images of coolness, sophistication, and romantic attractiveness. Now, however, these actions are legally forbidden (with widespread societal sanctions).

The mainstreaming of veganism has provided opportunities for a whole new range of disrupter brands such as Beyond Meat, Tofurkey, and Vegg. Social mores change, and these affect the legitimacy of marketing actions, as Brand Aside 11.1 describes.

(Source: Thompson 1995, pp. 182–185, adapted by author)

**BRAND ASIDE 11.1: BLACKFISH AND MARKET LEGITIMACY**

A contextual approach to ethics alerts us to how actions once viewed as ethical, can be challenged, and eventually be deemed immoral. When this occurs, brands that have failed to pick up on an X-rated issue becoming a G-rated one can find themselves caught out, with these brands being associated with illegitimate activities. At this stage it is often too late to repair the situation. One issue that has been moving from X-to-G for some years now concerns animal rights.

Animal rights issues have advanced substantially in the past 20 years and have crossed over from the fringe into the mainstream. Recently courts in India and Argentina have attributed non-human rights to certain species, including cetaceans, while the non-human rights project in the USA has been slowly building a case for habeas corpus (an ancient law banning unlawful detention or imprisonment) to be applied to highly intelligent animals such as bears, apes, and whales. On July 7, 2012, scientists gathered at Cambridge to make the Cambridge Declaration of Animal Consciousness, identifying that the scientific consensus was that vast numbers of non-human species were conscious, and therefore deserving of rights. Around the globe, industries using animals for entertainment have been banned or heavily criticized, including the Ringling Brothers Circus (which closed down in May 2017), animal testing for pharmaceuticals and cosmetics, and horse and carriage rides, while movie and television shows are subject to sustained criticism for using live animals given CGI (computer-generated imagery) capabilities.

SeaWorld is a US-based chain that features cetaceans and sea lions in a range of entertainment shows. Long a target of animal rights groups, the brand has been rocked by a 2013 documentary called Blackfish that was produced after a trainer was killed by an orca or killer whale. The critically

(Continued)
lauded documentary focused around one male orca, Tilikum, who was taken from the wild when he was very young, and who had been involved in three deaths in the park. The heart-rending scenes of the young orca being removed from his family pod (where the mother was heard screaming), and allegations of abuse and mental damage resulting from being confined in a tiny pool without company, generated a crisis for SeaWorld, leading to plummeting stock prices, reduced visits, and widespread criticism from former employees and animal welfare advocates.

Blame was laid squarely at the feet of the corporate brand, SeaWorld Parks & Entertainment. SeaWorld invested heavily in public relations, refuting the claims made in Blackfish, threatening the documentary crew legally, and even going so far as to doctor a poll in the Orlando Business Journal where they asked readers’ opinions of whether the film had changed their view of SeaWorld—most said “no,” but the brand team were caught out when it was found 55 percent of the votes came from a SeaWorld ISP address. The reaction of a range of stakeholders was swift—major music artists such as Heart and The Beach Boys (among many others) withdrew from planned concerts at the Orlando theme park, attendance dropped 5 percent, Southwest Airlines ended its partnership with SeaWorld in 2014 after public pressure to do so, and numerous states and countries adopted legislation to ban keeping cetaceans in captivity. After further criticism, SeaWorld announced a shift in its shows to a focus on education. However, the Orca Encounter shift was quickly condemned by animal rights activists and did little to stem the brand’s slide.

The impact on share price was substantial, falling 50 percent in 2014, triggering a lawsuit by shareholder representatives who alleged the refusal to acknowledge and address the Blackfish claims may have amounted to management negligence. By 2015, SeaWorld had announced it would end its captive orca shows by 2019, and its breeding programs, although activists quickly pointed out that the firm had plans to expand in countries such as China where animal rights laws are less developed (although public opinion is fast catching up with that elsewhere and many of the emerging national economies are seen as the new battle-line for animal rights groups impressed at the speed of change and shift in opinion).

Other organizations such as zoos have responded more proactively to see off this criticism, reframing their operations as part of a worldwide network of species arks, aimed at fighting against extinctions.

Although critics may argue that this results in “anything goes” relativism, a contextualist approach is underpinned by an ethics of care and does not reject the possibility of decision makers following normative rules or codes of behavior. An ethics of care orients us toward the interests of others. This approach is primarily empathetic, seeking to place ourselves in the shoes of others and look at issues from their standpoint. Empathy does not imply that we have to accept another’s viewpoint as more valid than our own; rather it sensitizes us to alternative views and ways of seeing, opening up the possibility of dialogue and exchange. Thompson (1995) proposes that an ethics of care represents an extension of the marketing philosophy. For example, in framing users in relational terms, brand managers are obliged to look beyond their ability to provide us with resources to genuinely consider users’ wellbeing. If they truly are our partners, it is necessary to focus on their long-term interests.
This may involve addressing issues of environmental sustainability, worker health, customer safety, and being sensitive to how stereotypes may affect their emotional states and those of their children. The same could be said for how marketing decisions affect the lives of employees, contractors, and the societies in which they operate overseas (covered below under downstream costs).

An ethics of care seeks to embed corporate social responsibility within the firm, to ensure claims that firm activities on society and the natural environment go beyond minimum legal requirements (Lindgreen et al. 2016, p. 228) are authentic. Advocates of a contextualist approach suggest that ethical commitments must be deeply embedded into marketing strategy instead of being seen as a separate group of programs or an extension of community engagement or public relations. Thompson (1995, p. 185) suggests that such an approach would involve the following questions:

1. What are the early warning signs of ethical dilemmas?
2. How are ethical concerns woven into strategic planning and everyday tactical activities?
3. Does the marketing organization tolerate expressions of conflict and dissonance over ethical matters? If so, how are these resolved?
4. What processes are used to negotiate conflicts among recognized differences in stakeholder interest?
5. What are the experiential consequences of engaging in unethical actions or being involved in a perceived ethical conflict?

(Source: Thompson 1995, p. 185)

This emphasis on embedding an ethics of care throughout the organization has given rise to an interest in the logic of stewardship, whereby brand managers see their primary responsibility as maintaining and enhancing the various relationships stakeholders may have with the brand. This logic is the opposite of ownership, which emphasizes rights of exploitation (Hernandez 2012). We will return to this in our discussion of ethical challenges in co-creation below. Critically, an ethics of care and stewardship logic has also seen many firms embrace a relatively new branding strategy—brand purpose.

**BRAND PURPOSE**

Brand purpose involves answering the question “Why does the brand exist?” (Jones 2017). The focus is not on commercial motives, but on some “higher-order” motive that transcends short-term commercial requirements. Why? Figure 11.1 identifies how brand purpose is one means to move the brand to overcome a deficit of brand character. Authenticity has always been associated with non-instrumental motives. This means that one’s motives are not driven by practical or selfish concerns (Beverland 2009). Brand purpose embraces this aspect of authenticity. This does not mean the brand is not focused on commercial outcomes (that would be an aloof brand), but that it is not overtly defined by financial returns in terms of its espoused identity and practices. Unilever for example, undoubtedly has strict internal financial criteria for each brand to meet within the group, but externally is focused
on a broader purpose of being a global leader in sustainable business (the brand was actually founded around purpose, since the Lever Brothers focused on improved hygiene for consumers and enhanced staff welfare in 1885).

As brand purpose reflects deeper brand character, the standard of judgment is sincerity (Spiggle et al. 2012). This means that purpose is placed at the heart of the brand’s positioning (examples include Patagonia and Stella McCartney), rather than simply a form of brand communication. A particularly well-known example of the latter was BP’s 2001 “Beyond Petroleum” rebrand (from British Petroleum). The rebrand was focused on deflecting criticism about the environmental impact of fossil fuels and also the firm’s poor safety record. This quickly backfired on the company as activists pointed out how little BP had invested in renewable energy, and the 2010 Deepwater Horizon disaster and subsequent poor response by the company further underlined BP’s lack of authenticity of purpose.

So does it work? It is important to state that brand purpose is a relatively new strategy. Helen Edwards identified that brands which embraced a purpose outperformed those that did not (Edwards and Day 2005). Others have found that such investments can have a positive impact on reputation and therefore brand equity and firm value (Brammer and Millington 2008). It’s also important to remember that a brand purpose is as much (and possibly more) focused on rallying employees and other stakeholders (Jones 2017). What about end-users? Here the data are more mixed, with users rarely highlighting their commitment to social causes as a main, or even an important reason, for brand choice. On the other hand, there are plenty of survey-based claims that consumers do expect brands to lead on key issues. To understand the difficulty of this, it is important to remember that the answers are likely to be a function of how the question is asked. If one is asked to rank in importance a range of attributes that are important for brands, one is likely to give a more honest answer than if they are asked if brands should address social issues. And of course, it may be that both responses are correct—consumers do expect firms to act on social issues (as a point of parity), and also deliver all the other benefits they expect.

However, being too invested in purpose can lead to a lack of relevance, as the brand appeals to a small segment of loyalists. One example of this is political parties who value purity of stance over pragmatism. There are undoubtedly many reasons why Labour lost the 2019 UK election, but the immediate reaction from party insiders involved attacks on groups such as the left-wing Momentum who were viewed as more interested in controlling the party than in winning government. The claim of leader Jeremy Corbyn in the aftermath of Labour’s biggest loss since the 1930s that “the party had won the argument,” reflects purity of character, but results in an aloof brand position. Smaller, “ethical” brands often struggle to break out of this trap. Melbourne-based Etiko for example makes much of its commitment to ethical production, but the brand has struggled to grow its base to attract the necessary investors to build the brand further. The difficulties facing these brands that have invested so much in purpose, is that turning them around by necessity will involve claims of “selling out” (as the rescue of the Co-op Banking Group in the UK did).

A further challenge to brand purpose relates to equating purpose with social causes (Edwards 2018). This is a common mistake, but can be easily corrected. Historically authenticity arose from the lack of an intrinsic motivation. What this means, is that to be authentic, one must appear to be motivated by something “higher” than self-interest. Although this expectation still shapes perceptions of brand authenticity, it opens up many possibilities for conveying an authentic purpose. Authenticity
for example can come from the creativity of the artist, who is pursuing an internal vision, with little concern for the views of critics or an audience. Luxury brands and those emphasizing a craft heritage (Shinola Detroit), a dedication to innovation (Tesla), connectivity (Facebook), creativity (Kodak), female empowerment (Avon), excellence (Nike, IBM), precision (Leica), as well as ethics (Patagonia, Ecotricity, TOMS shoes) and so on are all purpose-led strategies. Barclays bank in the UK was refreshed after a series of scandals with a commitment to “helping people achieve their ambitions—in the right way,” a purpose aimed as much at their employees and senior managers as customers. Their purpose undoubtedly has a commercial pay-off, but the brand’s identity is driven by an emphasis on its deeper, inner character.

To overcome the dangers of being too pure and being perceived as aloof, purpose must be mixed with storytelling. Aaker identifies the communication of a higher purpose as a critical signature brand story. The story of Starbucks founder Howard Schultz is one example. Schultz founded Starbucks after seeing how coffee was produced by skillful baristas in Italy. He contrasted that to America, where food servers were generally treated poorly and often had little pride in their work. Schultz also reflected on his father who had worked in a range of dead-end jobs, eventually having to work while injured because of a lack of health insurance. Schultz built Starbucks around the idea of dignified work, whereby baristas, servers, and employees throughout the organization would be treated with respect (and be provided with benefits such as health insurance) (Aaker 2018, p. 140). This commitment is an example of purpose, and is closer to what Helen Edwards (2018) would call “taking a stand” or a belief-led brand.

Purposeful strategies will court controversy for a number of reasons. First, the decision to take a stand on an issue will attract critics, both in terms of those who support the issue but feel the brand does not go far enough, and for those loyal users and influencers who think brands should not “politicize” issues. These strategies can also easily backfire for a number of reasons. Pepsi’s use of Kendall Jenner using their soft drink as a peace offering to solve complex issues such as those raised by the Black Lives Matter movement was condemned for its lack of sensitivity and authenticity, resulting in it quickly being withdrawn. Gillette’s support for the #MeToo movement attracted a fierce backlash from commentators, right-wing pundits, and also long-time users. The brand team’s decision to double down on purpose in the face of this enhanced its authenticity and won over new, younger users. Nike’s reaction to Black Lives Matter was so consistent with the brand’s track record of taking a stand that despite the circulation of videos showing white fans burning their shoes, the brand’s sales increased 30 percent and positive sentiment towards the brand increased. Nonetheless brand purpose can be polarizing, especially in times of increased political extremism.

Since purpose-based strategies are likely to be greeted with skepticism, the key challenge for brand managers is to provide the brand’s sincerity of commitment (see Chapter 6, Table 6.2). This involves a significant brand audit to identify gaps to plug, practices to remove, past wrongs (remember these may not have been actually wrong in the past, but judged from the point of view of today’s context and your purpose, they are) to be addressed, and new investments to be made. For example, Unilever has invested heavily in brand purpose, focusing on improving the way in which women are represented in the media. For some of the group’s brands, this commitment is easy. Dove for example, with its enduring campaign for real beauty, is proof of sincerity (although it quickly had to apologize after its 2017 Dove Body Lotion advert showed the product transforming a woman of color into a white
woman). However, the group’s successful Axe/Lynx brand, targeted at teenage males, perpetuated a very negative stereotype of women as lustful sex objects. This required the group’s branding team to undertake a full review, radically disrupting the brand’s historic identity, with its 2016 campaign “Find your magic,” followed up in 2020 recently with “Don't overthink it,” which retained the brand’s humor but focused on a more neutral message addressing teens’ anxiety around sex (Ad Age 2020).

In conclusion, expect criticism from purpose-driven approaches to branding. To counter this, ensure that purpose really is part of the brand’s character via a thorough audit, and an honest approach to the brand’s past, where the team openly addresses key issues of concern to stakeholders (Unilever readily admit that not all of their brands have lived up to its new-found purpose). Purpose therefore requires a commitment to consistency and conformity, and needs to be communicated via storytelling and other communication tools (the tools to do this with are in Chapter 6).

ETHICAL CHALLENGES AND BRAND CO-CREATION

The list of ethical issues involving brands is undoubtedly long and complex, putting an exhaustive account beyond any book. One way of reducing this list down to a handful of topical issues is through the lens of co-creation. Since this text focuses on how brand meaning is co-created, it is useful to ask whether there are ethical issues arising from interacting with users and seeking to benefit from this connection. In this final section of the chapter, five issues that commonly arise in relation to co-creation are examined. The first relates to co-optation, and its threats to the brand’s claim to authenticity. Co-optation involves the practice of brands benefitting from user generated value. The second is labeled “washing” and involves attempts to wrap the brand in a social purpose. The third, and possibly more familiar, will be a short examination of the upstream and downstream costs of branding, such as status anxiety and overconsumption. Fourth, are issues of representation, including reinforcing negative images and stereotypes. Fifth, involves the common practice of reframing responsibility for ethical issues.

The first ethical issue arising from co-creation involves co-optation of user value. In a sense, ethical issues sit at the heart of co-creation, as brands are often the net financial beneficiaries of drawing on user input, material, and innovations. This challenge arises due to problems of ownership. Users cannot necessarily own their material or that of a subculture, ethnic group, community, but they certainly feel a sense of felt- or psychological ownership over the material. In contrast, co-created brand stories become part of the brand’s asset base, and can be legally protected and monetized. This gives rise to problems of co-optation (and claims that the brand is a poseur). Since the strategy behind co-optation is driven by a relentless search to be cool or relevant, brands are accused of dropping in and out of subcultures and communities, extracting symbolic value, while putting nothing back. Brand Aside 11.2 provides more detail into this long identified ethical challenge for brands.

The emergence of Web 2.0, where Internet sites became truly interactive, enabling collaboration between consumers and other consumers and consumers and marketers, resulted in a blurring of boundaries between consumption and production. Today we know this as “prosumption” involving “prosumers” engaged in a range of activities including ratings, reviews, likes, shares, direct collaboration such as with LEGO, and crowdsourcing (Ritzer and Jurgenson 2010). Platform brands such as Facebook rely on selling owner-generated material to advertisers in order to make money, and
require users to agree to do so. Platform brands such as review sites (Trustpilot, Yelp, TripAdvisor), or on-selling sites (eBay, Etsy, Discogs) draw their value from the number of users they have, and also the work done by these users (in the form of reviews, managing sales and delivery and so on). Again, users have no way of capturing this value, giving rise to concerns that brands benefit co-creation at the expense of users (Arvidsson and Petersen 2016).

Studies on eBay sellers have identified just how effortful maintaining one’s reputation is, and how much of this is unpaid work (which eBay benefits from in seller-paid fees). Sharing economy brands, such as Uber, Zipcar, and Airbnb, also benefit from user ratings. Since these brands only supply the platform (with their representatives being independent contractors) they often pit sellers, servers, and users against one another, doing little to intervene in complaints and creating feelings of abuse and mistrust among users. Furthermore, sharing based schemes such as Lime and Uber, often benefit from the tax-payer funded infrastructure provided by governments (often funded by the competitors they seek to disrupt), while at the same time, paying little tax to enable future investments.

Many of these brands use notions of community, consumer sovereignty and savviness, and co-creation in their positioning and messaging (Bardhi and Eckhardt 2012). Despite claims of co-creation and consumer ownership, many of these businesses claim full legal rights over consumer-generated content. Concerns over this had led to calls for greater regulation, resulting in GDPR legislation in the European Union which provides some level of protection for consumers. As brands embrace purpose and cultural driven strategies, it is likely that issues related to co-optation and user-generated content will continue to arise and form the basis of authenticity driven challenges against the brand.

BRAND ASIDE 11.2: THE CONQUEST OF COOL

Fashion brands such as Urban Outfitters regularly draw on images of rebellion, ethnicity, and counterculture in their designs. Likewise, all those Che Guevara images printed on jackets, t-shirts, and coffee cups are hardly precursors to the revolution or a celebration of communism. Thomas Frank’s (1998) book, *The Conquest of Cool* identifies how firms commercialized the 1960s counterculture in the United States. In a twist on this argument, Heath and Potter (2006) in *The Rebel Sell* argue that counterculture is no longer threatening because, through co-optation, it has become consumer culture. These authors suggest markets are driven by their ability to package rebellion. While in the past “cool” was a political statement of rebellion, now consumer rebellion or subversion is simply a status claim, one that will quickly be copied by others, requiring more co-optation of new forms of distinction.

These critics raise some interesting ethical challenges for brands, however. Although consumers do not “own” cultural content such as those associated with musical movements (rap, reggae, punk, indie, etc.), identity subcultures (e.g., gamers, slackers, etc.), and so on, they nevertheless psychologically own this material. Psychological ownership represents a felt ownership over material, or a moral claim to its use. Because such material is often collectively created, it is rarely subject to

(Continued)
copyright control or licensing requirements, enabling brands to use it freely, and even trademark such expressions and forbid the originators to use it. Studies have identified that consumers will seek to de-authenticate myths that brands use to co-opt such material (Arsel and Thompson 2011), while others have called such a model “cultural parasitism” and suggested that successful cultural brand positioning requires a much more authentic approach, involving respectful use, acknowledgment, shared benefits, and a contribution back to the subculture (Holt 2002; see also Beverland and Ewing 2005).

The second ethical issue involved in co-creation involves attempts to align the brand with a particular cause, usually in the short term, solely through communications (rather than through internal changes, investments in leadership and so on). This is referred to as “washing” and arises when users of the brand, and stakeholders involved in the issue being washed, claim that the brand is being insincere. In the early 1990s, washing emerged in relation to environmental issues, when brands trumpeted their commitment to “being green” often through the use of colors (green), particular types of packaging, images of nature, or claims that their respective products contained no harmful substances (when they never did in the first place). Identity make-overs, such as BP’s shift to Beyond Petroleum, generated further claims of greenwashing, leading to greater scrutiny of the brand by activists and the media, which continues to this day.

In 2019, Unilever’s CEO Alan Jope lambasted advertisers and brand managers at the annual Cannes advertising conference for “woke washing” referring to the practice of “using the language and imagery of worthy causes without backing it with the rhetoric with action” (Davies 2019). Jope singled out a range of brands, including Pepsi with their recently pulled Kendall Jenner advertisement and Marks & Spencer for their LGBT sandwich (which was a BLT with avocado added in to celebrate Pride month). Unilever itself has faced alleged claims of “femvertising” with activists pointing out the group owns Fair & Lovely, a skin whitening product in India. There is a range of examples of this form of symbolic purpose, that seek to appeal to users’ identity goals or desires to engage in fitting-in practices. However, the backlash against brands being perceived as insincere poseurs can be very quick, as Lacoste found out when their decision to replace the famed crocodile logo on their shirts to highlight endangered species was challenged by animal rights activists highlighting the brand’s use of animal products in its accessories range (Jones 2019). The lesson is clear: purpose-led branding, and even short-term campaigns, must be backed up by lasting commitments and actions, including those that have short-term costs, such as Unilever’s threat to withdraw its advertising from social media platforms unless they committed to removing hateful content.

The third common ethical challenge is representation. Brands have long struggled with where to draw the line between offensive stereotypes, manipulating vulnerable consumers (e.g., body image), and creative advertising. Unilever’s Dove brand has championed this issue, through its “Campaign for Real Beauty” and “You’re more beautiful than you think” campaigns, although these were criticized on grounds of insincerity (the models featured on many billboards were subject to careful Photoshopping), emotional manipulation, and questionable authenticity in
light of the continued reinforcement of stereotypes by the group’s Axe/Lynx brand. Brands such as Calvin Klein and the now defunct American Apparel have also been accused of sexualizing young women, through their creation of the “tween” segment (Cook and Kaiser 2004) and drawing on associations with the pornography industry. Mattel’s Barbie has long been criticized not just for its idealized body image but also for its lack of ethnic diversity and its reinforcement of traditional gender stereotypes. Victoria’s Secret high-profile Secret Angels emerged from the supermodel era in the 1990s, which placed an emphasis on a singular definition of beauty involving slim, large-breasted, white females. The brand’s “perfect body” campaign raised the ire of activists, resulting in an online petition. The subsequent backlash saw the brand change its campaign to “A body for every body” which featured the same models in the video, resulting in further criticism.

With brands becoming such powerful markers of identity, it is not surprising that their representation practices are now challenged. Representation concerns emerge in relation to how certain minority groups are presented in brand communications. Brands have taken four approaches to the issue of representation:

1. **The United Nations Model**: This model attempts to represent a multicultural identity for the brand. This still raises questions of who is included and excluded and who is the focus of the advertisement (does the dominant group still play a central role?).

2. **The Cultural Normalization Model**: This is where non-dominant groups replace dominant groups in everyday situations. In 2014 a Cheerios advertisement in the USA featured an inter-racial couple, triggering conversation about race among users and the wider community.

3. **The Cultural Appropriation Model**: This is where seemingly authentic representations of non-dominant groups are featured in communications. The use of a “smart Asian” may be an authentic representation of the value this group places on educational achievements; however, it also references racial cultural stereotypes.

4. **The Effortful Accommodation Model**: This is where brands attempt to genuinely understand the identity concerns and practices within a particular group and reflect those in a sensitive way, to communicate effectively. Ulta Beauty’s (Virginia USA) 2019 advertisement featuring a wheelchair bound model is one example of this, with an image of a 4-year-old disabled girl mesmerized by the advertisement going viral and generating significant news coverage for the brand.

*Source*: Weinberger and Crockett (2018)

Such concerns extend beyond communications to include worker treatment, boardroom representation, and will also cross over into issues of co-optation.

However, representation concerns also arise when minorities feel left out of the brand story. Brand Aside 11.3 contains an example of both types of representation issues—a narrow representation of women, and the lack of visibility of the disabled. Representation challenges are complex and nuanced, and an ethics of care requires brand managers to work with advocacy groups and those who
feel aggrieved to ensure authenticity of commitment and execution (especially tone of voice and use of sensitive material). The need to work with these communities also applies when marketers create a backstory for the brand. A team that lacks diverse input may simply be unaware of representational issues, resulting in claims of stereotyping, glossing over or whitewashing important historical realities, and triggering a backlash, such as that experienced by Shinola Detroit in Chapter 12.

**BRAND ASIDE 11.3: LEGO AND REPRESENTATION CHALLENGES**

Engaging with users is not always an easy process. LEGO’s success in engaging with co-creation means it has become a lightning rod for important social agendas or issues. The LEGO Friends series for example was subject to accusations of perpetuating traditional gender stereotypes and role behaviors. Made primarily in pink and purple, the characters in the Friends range break the design language of the brand’s traditional blocky figurines, while the sets feature various suburban at-home situations such as cooking, caring for animals, equestrianism, pop stardom, and romance. The range was positively received by the target market, being one of the most successful launches for the brand ever, but earned the ire of parents and feminist critics who started a petition in 2014 calling on LEGO to embrace gender equity.

The response to criticism led the brand to launch its highly collectable limited release Science Lab, which quickly sold out and generated much praise. Even Kooijman, the originator of the lab on LEGO Ideas stated:

> “As a female scientist I had noticed two things about the available Lego sets: a skewed male/female minifigure ratio and a rather stereotypical representation of the available female figures. It seemed logical that I would suggest a small set of female minifigures in interesting professions to make our Lego city communities more diverse.” (Criado 2014)

The lab featured several female characters all engaged in various scientific pursuits (astronomy, chemistry, and archaeology), controversially wearing makeup (something that generated heated criticism afterwards). However, speaking at an innovation conference in Copenhagen in 2014, LEGO’s brand manager noted that the range was a big hit with parents and adults, but not so much with children, who still preferred their pink and purple Friends. Admitting the issue was a difficult one that the firm struggled with, the brand manager ultimately sided with young girls, although did not rule out further developments such as the Science Laboratory.

Similarly, the lack of disabled characters led to #ToyLikeMe online petitions targeting both LEGO (receiving 20,000 signatures) and competitor Playmobil (who subsequently also developed their own range of figures). The essence of these critiques is that brands should be inclusive of all children, regardless of gender and ability, rather than perpetuating stereotypes or reinforcing barriers through exclusion. The brand recognizes that it must move with the times. This is not always easy, as the initial release of a wheelchair-bound character split advocates such as #ToyLikeMe founder Rebecca Atkinson who was delighted with the LEGO range figures, stating:
"We are beyond happy right now. Lego have just rocked our brick-built world and made 150 million disabled kids, their mums, dads, pet dogs and hamsters very very happy. We're all conga-ing up and down the street chucking colored bricks like confetti. But on a serious note, this move by Lego in massive terms of ending cultural marginalisation, it will speak volumes to children disabled or otherwise, the world over." (BBC 2016)

However, Atkinson was less impressed with the brand's DUPLO range (for younger children) addition of an old man in a wheelchair:

"A large part of the problem occurs when you only have one character with a disability, because by default you create a tokenistic stereotype in its isolation. If this Grandpa figure was one of many, and stood aside a range of other vibrant characters with disabilities varying in age, then there would not be an issue. The scant representation of disability in children's industries has long fallen into three enduring stereotypes, none of which are very positive or promote self-esteem in children with disabilities—the old (grandparents with sticks and wheelchairs), the evil (pirates with patches and hooks as manifestations of wrongdoing) and the sick or medical (the disabled body as broken and fixable with a stay in hospital)." (Calderwood 2015)

The DUPLO figure was quickly changed for a younger character.
The fourth ethical issue arising from co-creation involves the type of **unintended upstream and downstream costs** covered in the previous discussion of why ethical challenges arise in markets. Many of these are familiar criticisms, including the impact of consumption and users’ desire for cheap goods on the environment, increased status anxiety and overconsumption (with spiraling consumer debt and in extreme cases violence), poor worker protections, tax avoidance, and in the case of platform brands, claims that they have undermined democracy. Following the discussion of developmental and critical approaches to markets and ethics, these issues are often complex, and in many cases, user demand can exacerbate the problem. Such breaches can impact on brand valuation, with the Cambridge Analytica scandal costing Facebook US$120 billion in share market value in 2018, while Uber’s decision to track users after their journeys saw US$10 billion written off its share market value in 2017 (Ramachandran 2018).

Firms often counter such criticisms with claims that they are meeting their legal obligations and also benefiting countries, regions, and cities through employment opportunities, the provision of needed goods and services, and tax revenues. This puts many countries in a difficult position in responding to calls for greater regulation, since globalization enables firms to move assets offshore to less regulated countries. These issues are complex, as when firms minimize tax revenues to meet shareholder demands, they often undermine the research and development infrastructure made by the state, that has underpinned the innovation of brands such as Amazon (Mazzucato 2013). More insecure work contracts, through the emergence of the gig economy (and in some cases, seeing firms such as Walmart relying on the state to top up wages with welfare supplements), may reduce the ability of consumers to buy brands.

These issues give rise to the final ethical challenge of co-creation—**reframing**. The development view argues that market-based solutions are central to solving these upstream and downstream challenges. Firms and pro-business lobbies, such as the Davos Forum, also have an interest in resisting state-based regulation, and instead focus on programs such as CSR, conscious capitalism, brand purpose, and reframing issues in terms of consumer responsibility (Eckhardt and Dobscha 2019). An examination of the Davos Forum identifies how business leaders and governments create categories of consumer responsibility, including the bottom-of-the-pyramid consumer, the green consumer, the health-conscious consumer, and the financially literate consumer. Each of these reframes outcomes of market failure in terms of individual responsibility, putting the onus on the consumer to buy products from developing countries, green brands, healthy choices, and to spend wisely (Giesler and Veresiu 2014). One example of this is provided in Brand Aside 11.4.

**Reframing** occurs through four processes. First, market failures are framed in terms of individual responsibility vs. irresponsible consumers. Second, the onus is placed on consumers to educate themselves about key issues (although brands may also offer state-funded information programs). Third, a new market category is created that focuses on self-management. Fourth, consumers adopt a responsible role and thereby fit in through thoughtful purchases (Giesler and Veresiu 2014). Reframing plays to consumers’ identity needs, particularly the desire to fit in and be moral, and therefore demonstrates the darker side of co-creation. However, reframing ensures that brands remain unregulated. Furthermore, governments may reduce social programs and regulations needed to deal with key issues, while not-for-profits find it difficult to increase the profile of key issues, advocate for reform, and raise funds (Eckhardt and Dobscha 2019).
BRAND ASIDE 11.4: CONSCIOUS CAPITALISM AND PANERA CARES

Putting the onus on consumers is not always successful. Consumers often believe it is the state, not them, that is responsible for regulating companies, while ethical programs such as those used by TOMS shoes enable consumers to feel good about their purchases, rather than confront their role in issues of global poverty and environmental degradation. An examination of Panera Cares, a not-for-profit extension of the US café chain Panera Bread, found that involving consumers in the firm’s ethical program backfired. The restaurant brand targets a predominantly middle-class audience. Panera Cares’ model involves asking consumers to pay what they perceive as a fair price for their meal, and if they can, buy a meal for the homeless at the same time. To help consumers out, Panera Cares provides suggested levels of donation to identify the amount needed to cover the cost of meals.

The program has not been successful on a number of grounds. While Panera Bread wants the program to be self-financing, their offer to provide a free meal to any homeless person who asks for it has had to be scaled back due to excessive demand. Many consumers, confuse the extension with the parent brand, and simply pay for their own meal. Furthermore, the discomfort consumers feel when confronted with the realities of homelessness has undermined their perceptions of Panera Bread as an up-market brand. The experience of this program is not only uncomfortable on physical and psychological grounds; consumers also dislike it on philosophical grounds as they feel many employees are judging their generosity and public spirit by the amount they decide to “donate.” As advocates of the critical view argue, this type of program places the responsibility for social ills on consumers, without challenging the very system that produces them.

Source: Eckhardt and Dobscha (2019)

CHAPTER SUMMARY

In this chapter, the ethical implications of branding and marketing have been explored. A shift to co-creation means that brands can no longer act without regard for ethics, since users increasingly expect the brands they use to reflect their moral identity. Consistent with co-creation, we frame ethical branding decisions by drawing on a contextual model of ethical decision-making. This model has the advantage of being able to predict ethical challenges, and ensures that the firm pays attention to changes in the macro-context that may impact on its ongoing legitimacy. Drawing on this model, we propose that brand purpose is a strategy for embracing ethical positions, although such a commitment requires an audit of the firm’s operations, programs to ensure that the purpose is experienced consistently by all stakeholders, and a powerful set of stories to ensure it is meaningful to users. Purpose is a strategy that requires conformity and consistency, and enhances the brand’s character, ensuring it does not suffer poseur status. The chapter concludes with five ethical issues that arise as a result of co-creation: co-optation, washing, representation, upstream and downstream costs, and reframing.
CASE EXAMPLE: ECOTRICITY

Ecotricity was founded in 1995 by Dale Vince when he used a wind turbine to power his wind-monitoring equipment manufacturing business Nexgen in Stroud, in the United Kingdom. In 1996 Vince installed what was then the largest wind turbine in the UK, and founded electricity generation brand, Ecotricity. At the time, the power generation markets in the UK were being liberalized, opening up the potential for a new wave of “green” brands to eventually provide electricity to users, including direct to consumers’ homes. In 1998, the brand teamed with Thames Water to produce and supply renewable energy, taking the brand’s revenues to £50 million in that year. The following year, the brand provided a powerful new wind turbine to the newly opened Green Britain Centre in Norfolk, which was focused on educating people about sustainability challenges and solutions.

In 2000, Ecotricity gained further awareness, becoming the sole supplier of energy to the newly opened Millennium Dome in London. Power was drawn from various sewage sites along the Thames river. The Body Shop also switched to an entire power supply account to Ecotricity, challenging other retailers to do the same. A year later, supermarket giant Sainsbury’s ordered their own Ecotricity wind turbine for one of their large Scottish distribution depots. This initiative became formalized into a program called Merchant Wind Power (MWP), whereby Ecotricity builds dedicated wind power generation facilities at individual business sites within the UK. Clients include Ford, Oxford, Michelin, and Prudential. In this program, Ecotricity assumes the developmental risk and cost of setup, while promising financial savings over fossil fuel and nuclear sites. In 2003, Ecotricity was finally able to supply power to homes, signing up 3,000 customers in a year (growing to 8,000 in 2004). In response to requests for locals, the firm built a turbine in Swaffham, adding another due to local demand.

Growth in sales and MWP continued, with the brand being presented with a sustainable energy prize by former American Vice President and environmental campaigner Al Gore in 2007. The increased revenues
from home users were used to fund the development of more power generation windmills. This practice became known as the “Bills to Mills” program and sets Ecotricity apart from other providers of clean energy, who primarily buy energy from suppliers and leave it up to them to expand the availability of supply. In 2008, with the financial crisis, Ecotricity doubled down on its focus on reasonably priced, clean power to homes. The firm also developed its first electric supercar the Nemesis and made an attempt to break the land speed record for wind powered vehicles (named the Greenbird in reference to Donald Campbell’s record-breaking gas-powered Bluebird). In 2010, the firm launched green gas, a biogas made from discarded food waste to supply household cooking and heating needs.

Further innovations followed, with the firm developing the UK’s first motorway network of electric charging points for e-vehicles, and also developing their first sun park, for solar power. In 2010, Vince became chairman of local football club Forest Green Rovers (formed in 1889 and at the time, playing in the Conference League). Vince immediately sought to change the fortunes of the struggling club, aiming to make it the most sustainable club in the UK (in 2012 the club became the first European club to receive EMAS, the European Union’s highest standard for environmental management). In 2012, a viral campaign calling on fans to “Dump the Big Six” (Ecotricity 2012) was launched featuring animated cooling towers and non-renewable power plants slowly toppling over, and being replaced with wind turbines under the strap line “It’s time to move on.” An image of the brand’s assets is presented in Figure 11.5.

In 2013 the firm was in a position to offer 100 percent green electricity to its customers (prior to that it had relied on a declining mix of fossil and nuclear power to meet demand) as the supply of renewables had increased, enabling the firm to purchase more supply on the open market. The firm also adopted a “Frack Free” commitment, in support of the anti-fracking movement in the UK. It experienced the least number of complaints of UK power generators, and was recognized for its customer service.

The firm’s support of Forest Green Rovers paid dividends in 2017 when they won promotion to Division 2 of the Football League. When the final whistle blew in the match at Wembley on May 14, the television announcer stated:

(Continued)
“Let me tell you this: Cheltenham, Swindon, Newport – you’re going to eat hummus at the New Lawn next season because Forest Green Rovers are in the football league.”

The mention of hummus referred to Ecocity’s policy of requiring Forest Green players to adopt a plant-based diet, while the team’s home stadium only sold vegan options. The home stadium is entirely powered by renewals, and is mowed by a solar powered robot mower. The playing pitch was also certified vegan (many soil treatment products use ground up animal products). Scottish comedian Frankie Boyle pointed out on the satirical television show Have I Got News For You, that players had been spotted celebrating with meat options, while the manager of the local Greggs noted players came in most weeks. Brand manager Paul Sands stated that players are only required to adopt the diet when they are in the stadium, although many in the team have done, with reported health and performance benefits. In 2016, plans for a sustainably sourced new wooden stadium were approved. The new stadium would be built in the company’s Ecopark complex in Gloucestershire. The club was awarded the UN’s Climate Neutral Now prize for being the world’s first carbon neutral football club.

In 2017, Ecotricity engaged in more advocacy, as part of a formalized brand purpose strategy. Their pollinator promise focuses on the declining numbers of pollinating insects in the UK, and if not reversed will have a devastating impact on food production. The promise calls for householders to create bee-friendly gardens by planting wildflowers and holding off on lawnmowing in the spring to give bees and other pollinators a chance to feed on the flowers. In 2018 the brand developed Ecotalk, a green mobile phone service to spark conversations about the poor environmental record of telecommunications. In 2019, the brand ran a series of confronting ads to support their new vegan power program, with pictures showing blood and minced meat coming out of power sockets (see Figure 11.6) and a comparison chart identifying big energy suppliers and small green ones using animal waste in the generation of their renewals.

FIGURE 11.6 Ecotricity vegan power advertisement
Head Brand manager, Paul Sands, in a talk on brand purpose, made it clear to audience members that it was critical to take a stand, and be prepared for criticism, particularly in relation to the vegan advertising campaign. However, the firm has also faced stiff criticism for the poor charging performance and poor reliability from its motorway charging points, where it is rated the worst performing brand.

**Case Questions**

1. Define Ecotricity’s brand purpose. What is the brand’s signature story?
2. Assess the authenticity of Ecotricity’s brand purpose over time. How does it ensure consistency and conformity?
3. How is this purpose co-created?
4. Examine Ecotricity’s practices from a developmental and critical perspective. Are there any ethical challenges facing the brand?

**KEY TERMS**

- Consumer responsibility
- Contextual approach
- Co-optation
- Corporate social responsibility (CSR)
- Critical approach
- Developmental approach
- Downstream costs
- Ethics of care
- Normative approaches
- Purpose
- Reforming
- Representation
- Teleological approaches
- Upstream costs
- Washing

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