

# Brand Image during WAR

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## Abstract

Due to the latest war, that unfortunately has a worldwide impact not only on humanitarian emergency, on the attacked country, but as well as at the economic level with greater international influence. Almost all countries, with very few exceptions, have interdependent economies and rely mainly on raw materials, goods, financial services, finite products, technology, know-how that are supplied by other states. We live in a Global World, where friendship, stewardship, understanding, mutual respect and the protection of humans' life must prevail both for very few "blessed", but also for all the inhabitants of the Earth. The recovery after the CoVid-19 pandemic is not complete, as the actual pandemic was not totally wiped out; many countries still need time to restore their Gross National Income, as a result, different economic sectors were likewise affected by medical emergency and restrictions. Innumerable multinational companies decided, owing to the latest war against Ukraine, to cease, suspend and even withdraw their activities, production and even brands from the aggressive country. In this article, we want to discover if appealing to this kind of measures has increased their brand image among actual and potential customers. The findings are quite intriguing.

*Keywords: brand image, war, earned media, social media networks, web 3.0*

## 1. Introduction

Due to the recent conflict, which sadly has a global impact (Buckley, 2022) not only on humanitarian emergencies, on the targeted country, but also on economic levels with larger (Khaola, 2022) international influence. With rare exceptions, almost all nations have interconnected economies that rely on raw materials, commodities, financial services, finite products, technology, and expertise supplied by other countries. We live (Bran et al., 2020) in a Global World in which friendship, stewardship, understanding, mutual respect, and the preservation of human life must prevail not only for the few "blessed," but also for all of the Earth's people. The recovery from the CoVid-19 pandemic is not complete (Khakimova et al., 2022) since the real epidemic was not completely eradicated; many nations still require time to repair their Gross National Income, by virtue of which diverse economic sectors were also affected by medical emergencies and constraints. Because of the recent (Kovalchuk et al., 2022) conflict against Ukraine, several global corporations have opted to cease, halt, and even withdraw their operations, production, and even brands (Chandon, et al., 2022) from the belligerent country. In this study, we will investigate if appealing to such methods has improved (Chapman & Dilmperi, 2022) their brand image among current and future consumers.

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Why has this conflict such a great impact almost on the entire world economies? What changed from 2014 when Crimea that belonged to Ukraine was taken by Russia? Both Ukraine and Russia are major countries players and used (Boungou & Yatié, 2022) to export raw materials like grains, oil (Adekoya et al., 2022), gas, coal, and so on. The war is fierce and with big losses especially of civilians' lives and buildings. During this "special operation" both military bases, nuclear plants, have been targeted (Pereira et al., 2022) and set as objectives to conquer, alongside with buildings of flats, schools, hospitals, residential areas, and so on. Even more, the conflict is deployed on the outskirts of Europe, as both Ukraine and Russia are considered parts of Europe. Being 2022, after more than 2 years of Global Pandemic, humanity is trying to recover (Choudhary et al., 2022) after CoVid-19 threat, which made countries to collaborate and share (Ramírez & Durón, 2022) information, aid and medical supplies, medicine and devices in order to overpass this crisis. The World economy was on the point of recovering as borders opened for both vaccinated and unvaccinated, restrictions and hygiene rules and physical distance were not enforced anymore, but a greater threat appeared. Corporations are paying (Boissieu & Urien, 2022) a lot of attention towards marketing and communication, although, in some, not so happy cases, ads tended to be racist and even provoking some bad feelings towards brands, and those ads that led to boycotts and not only. Another field where organizations tend to be very attentive with their brand image are the sponsorships of different teams, sports, sportsmen and sportswomen. Companies withdraw their sponsorship and support for athletes as well as taking them to court when their behavior was considered unethical and beneath social norms. We can also mention here the fact of being caught with drug use or human enhancers to gain an edge from their competitors as well as their behavior in public and even towards their own families is under scrutiny.

## **2. Review of the Scientific Literature**

Multinational companies and corporations focus (Tosun & Eshraghi, 2022) on their image and brand awareness. They spend lots and lots of money and time on constructing their image towards actual, potential customers as well as on their stakeholders. Trust is (Zhao, 2022) gained in years and can be ruined in seconds. Brands are no different from human beings' interactions. As customers can reach the final level of loyalty by becoming the brands advocates or fans, there is also a possibility, that customers can become prosecutors, if the company is not behaving ethically in their point of view. Customers, nowadays, are very sensitive towards the ethics of organizations, as we can bear in mind the scandals regarding ads and marketing campaigns considered racist. Companies were being forced to withdraw, not only the ads, but as well as being on the verge of exiting from important markets caused by this kind of mistakes. These days' stakeholders have an immense power toward organizations in addition on the entire society. Companies can (Brito, 2013) control paid and owned media, but there is a lack of control regarding earned media as we can see in figure number 1. Owned media means the organization websites, social media posts (Hou, 2022), podcasts and live events, while in Paid media we encounter social media ads, paid search, sponsorship, retargeting (Bend, 2022) and display ads. Nevertheless, the real power is given (Chattopadhyay & Mohanty, 2022) by the Earned Media, where the customers or stakeholders have (Young, 2018) a

point of view to unveil towards the others. If the first two, the company has (Mei & Genet, 2022) control, the last one is the trickiest one as the organization has little to no control at all.

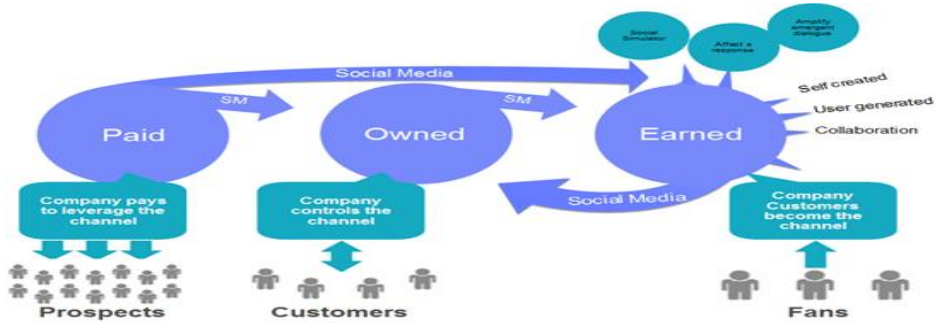


Figure no. 1. The correlation between Earned, Owned and Paid Media  
 Source: Loic S., 2012

Earned media (Brito, 2013) means the users generate content, like reviews, retweets, and blogs which can be posted it, liked it and shared it to others. The increase power of customers and stakeholders can be also explained (Pattnayak & Pattnaik, 2022) by the development of web 3.0 as seen in figure no 2.

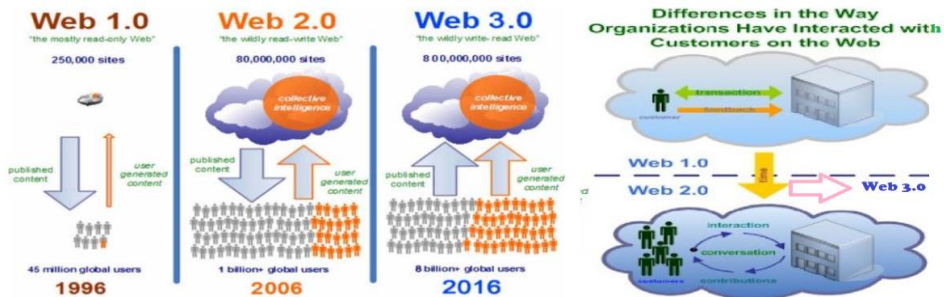


Figure no. 2. Differences in the Way Organization Have interact with Customers on the Web  
 Source: adapted after Shukla, 2022 & Jana S. and Marjit U., 2009

With the development (Naik & Shivalingaiah, 2008) of the web, the sky rocketing of social media platforms showed up. If in 1996, with 45 million users and very few of them generated content due to the high costs of creating (Mavridis & Symeonidis, 2022) websites but, in 2006 the World Wide Web reached to more than 1 billion plus users where a quarter of them started to generate (Loureiro, 2012) content. After ten years, and more precisely in 2016, Web 3.0 reached to more than 8 billion users and almost half of them generated content and this can be explained with the development (Vieira, 2022) of social media platforms, no cost at all to post and transmit information towards stakeholders. We can also notice a switch regarding (Newman, 2016) the way organizations used to interact with their customers in the period of Web 1.0, considered just information centered. The customer was considered (Atzori, 2020) to make a purchase or transaction and give feedback if either encountered some issues or was very pleased with the product. The next

two steps of development meant, besides machine and people centered, that the customers could interact, contribute and have a two-way conversation that in many cases can be conducted in real time.

### 3. Research Methodology

We monitored and compared the number of appearances on social media and when four iconic brands took the decision firstly to suspend and then to totally withdraw their businesses from Russia. The main idea of choosing these four companies was that they represent the Western Countries and the success of democracy and capitalism. The corporations that took the decision to remain and conduct businesses as usual, mentioned that it is too costly and even their colleagues can face charges and sent to jail, although it was not their decision. Due to this respect, we did not analyze those companies. The four companies observed are Coca-Cola, MacDonal'd's, Pepsi and Renault. We appealed to the Zelist monitor platform to observe the appearance, evolution and feelings towards the World Wide known companies.

### 4. Results and Discussion

Firstly, we studied the number of appearances, as seen in figure no 3, in social media platforms. On the first place, is the Group Renault with 49,1%, as this can be explained through the fact that they firstly tried to see if the conflict will cease very soon, and that is why they were undecided and even tried to sell it to an Russian Institution with the possibility of purchasing it back 5 years later. McDonald's was second with 21,4% followed by Coca-Cola with 17,5% appearances. Pepsi had a coverage of only 12%. McDonald has suspended their business for almost three months, paid their employees and, after more than 30 years of existence on the Russian market, took the decision to sell and withdraw all their businesses.

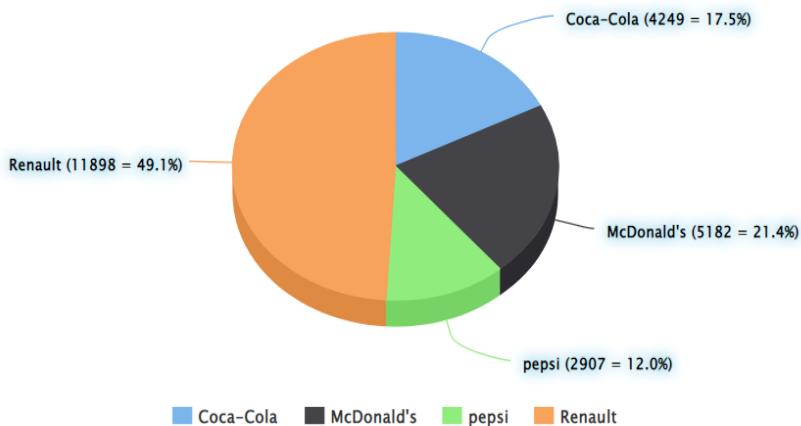


Figure no. 3. Number of Appearances in social media networking platforms

At the beginning of the armed conflict, on the 24<sup>th</sup> of February, Renault had the most of appearances 412, followed by Coca Cola 131 and Pepsi 94, while McDonald's had 79 appearances. On the 16<sup>th</sup> of May, when Renault announced the decision of selling all their factories from Russia, which had a media coverage of 661, McDonald's issued the press release of finally exiting the market. During the period analyzed, we can observe that Renault had the highest peak on 21<sup>st</sup> of March with 2245, McDonald's on 7<sup>th</sup> March 1739. On the same date also, was reached the highest peak for Coca Cola 1112 and Pepsi 707, as well.

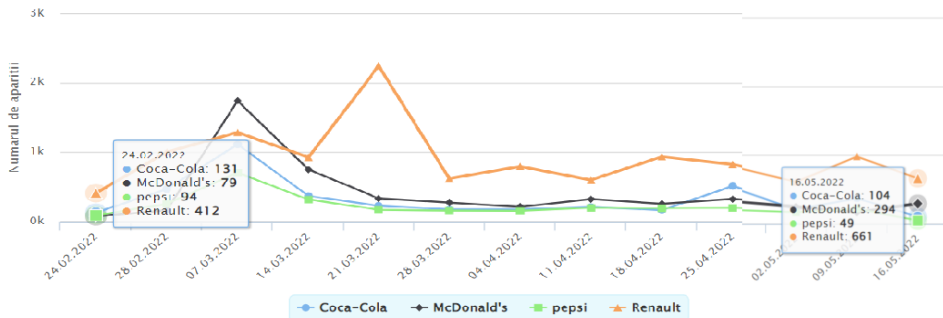


Figure no. 4. The Evolution of appearances from 24th of February till 15th of May

In Figure no. 5, we can see the Evolution of feelings towards the four brands. What is intriguing is the fact that Renault and Pepsi are the only two companies that succeeded in increasing their feelings in a good way towards brands from their stakeholders, from 27<sup>th</sup> of February. The raise was from  $-0.01$  up to  $0.44$  in the case of Renault and Pepsi from  $0.25$  up to  $0.6$ .

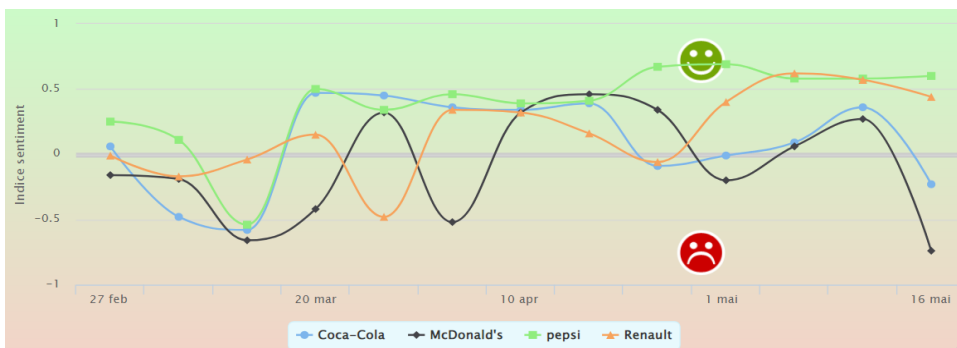


Figure no. 5. The Evolution of Feelings

## 5. Conclusions

Limitations and future objectives of the studies to be carried on are to conduct both a quantitative and qualitative research, both among stakeholders as well as the multinational organizations that made the decision to remain on the Russian market. It is very hard and expensive for a company to turn a potential and effective customer into a

super fan in order to gain favorable earned media while it is very easy to lose a loyal member and from a super fan to be turned into a super prosecutor. Corporations cannot afford these days such mistakes, especially, when armed conflicts as wars take place, not to choose (Pörtner, et al., 2022) the righteous side, communication and putting before profit the human lives as the most important thing. Social media networks can be honestly called nowadays the digital pens: “The pen is mightier than the sword”.

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