Chapter 11
Managing Brands at Risk:
The Case of Turkey

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ABSTRACT
Since crises have become an inevitable, natural feature of the business world, managing brands during crisis has also become an important source of competitive advantage. Thus, there is a growing need to understand determinants of crisis, which have become an integral part of today’s world. The aim of this chapter is to explain the determinants of successful brand management during crises based on the case of Turkey. Crises may arise for various reasons, such as natural disasters, accidents, financial/political/product harm-related problems, product recall incidents, and many others. Since brands are very affected by many dynamic forces—political-economic-social and technological—brand managers need to be prepared to overcome crises without harming the brand equity. Moreover, the integration of brand management theory, which originated and was dominated by Western researchers, with recent case examples from an emerging country, constitutes the originality of the chapter. In this chapter, two boycott cases, an airplane disaster case and a product recall case, from Turkey are summarized to contribute to the existing Western literature.

INTRODUCTION
The emerging markets have gained popularity since the early 2000s and become home to about 85% of the world’s population (Lee et al., 2011:104). Since developed markets get saturated, companies have shifted their focus to the growing emerging markets. Many leading multinational companies expect that their future success will depend on their ability to win in emerging markets. There are numerous advantages of entering emerging markets, such as accessibility to millions of new customers, unfettered competition and potential sales growth. Coca-Cola, Unilever, PepsiCo and Colgate-Palmolive are examples for multinational companies earning 5% to 15% of their total revenues from emerging markets in Asia (Lee et al., 2011:104).

However, Western managers face a variety of difficulties in emerging markets. Besides managerial challenges and risks at the entry level, companies need to get ready for managing crisis in
emerging markets. In entering emerging markets brand managers should be aware of the fact that they have different alternatives than in their home country with limited tools against a different set of competitors.

In addition to the challenges such as government instability, poor infrastructure and lack of local marketing expertise at the new market entry phase, firms need to get ready for sudden crises or unexpected incidents through their lives in emerging markets. In today’s highly volatile and global world, managers need to be vigilant than ever to unexpected incidents or crises that might have a profound impact on the success of building and maintaining sustainable strong brands.

Since crises are critical turning points, crisis management has been a phenomenon for many industries and also studied by some researches. The reason behind those researches is not only because crises are seen at an increasing rate but are also imminent dangers for the affected company.

According to Elliot, Harris and Baron (2005) the number of disasters, accidents and mishaps causing crises has increased in the last 20 years. Despite the scale and severe impacts of recent crises such as; Bhopal, Chernobyl, New York World Trade Center, Toyota recall case, firms do not seem to invest in proactive crises management strategies (Elliot, Harris and Baron, 2005). Although it is not possible to anticipate all problems in advance, the measure of business damages could be diminished if managers can get prepared for all possible contingencies. Thus, “firms need to combine expertise from history, scientific research and new technologies in order to develop proactive strategies” (Priporas and Vangelinos, 2008, p: 98).

Thus, this chapter aims to summarize brand crisis literature from different perspectives. Besides conceptual background, recent brand crises cases (boycotts, airplane crash and a product recall case) from Turkey will be discussed in order to guide both academicians and practitioners.

**LITERATURE REVIEW**

Since ancient times branding has been the only effective way to differentiate products from different providers (Aaker, 1991). Although there are numerous studies on building and managing strong brands, protecting brand equity in the presence of unstable, dynamic environment is still a major problem. Firms need better understanding of protecting their brand equity in times of crisis, and moreover develop proactive strategies.

Over the years, marketing managers experienced brand crisis varying from minor to grave crisis at some point. Besides natural disasters like earthquakes, floods, hurricanes and fires; there are several reasons that may cause crises such as; product harm, industrial accidents, transportation accidents, political conflicts, terrorism and environmental pollution incidents. Companies cannot wholly eliminate the possibility of crises therefore successful recovery from crises for a company could bring vital competitive advantage in the market place.

Despite the frequency and severe consequences of brand crisis, there has been little research on the impact of brand crisis in literature. Some marketing studies have investigated the impact of crises by focusing on consumer evaluations (Dawar and Pillutla, 2000). Others examining the linkage between firm strategies and stock market performances provided a multidisciplinary perspective (Chen et al., 2009).

**Defining Crises**

The term crises can be used for any organizational problem that has negative consequences. Lerbinder (1997) defined business crisis as “an event that can tarnish a company’s reputation or is severely detrimental to a company’s long term profitability, growth or even its survival”. Alternatively, Fink (1986:15) stated that crises
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