Preventing Brand Burn during Times of Crisis

Mumbai 26/11: A case of Taj Mahal Palace and Tower Hotel

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ABSTRACT

Brand burn is the accidental negative impact on a brand as a consequence of a crisis relating to factors outside the control of an organization not directly related to product or organizational management. Using a case study methodology, the methods used to manage brands during a terrorism crisis, using brand architecture and brand components are identified and evaluated. The paper contributes first to theory by adding to the limited research in this area; and second to the practitioner’s point of view by providing a checklist that gives strategic tips for preparing for and managing crises.

INTRODUCTION: TERRORISM - A CRISIS IMPACTING BRANDS

Crises are characterized by four criteria (Keown-McMullan, 1997; Mendonça, Pina de Cunha, Ruff & Kaivo-oja, 2009:25): (1) one-off events which are not easily predictable (2) onset is sudden (3) high potential for loss and threat to survival (4) short decision time. An increase in a terrorist risk results in a drop in Foreign Direct Investment (FDI) of up to 5% of GDP (Abadie & Gardeazabal, 2007) affecting the competitive advantage of the industry and place (Day, McKay, Ishman & Chung, 2004). Fallout from hostile crisis like Tylenol, 9-11 have repercussions not only for the brands, the whole organization, the industry and the place involved. It affects the psychosis of the customers, the community and stakeholders.

Though prevention is better than the cure, there is little that can be done to protect organizations according to the Federal Emergency Management Agency, a USA government security organization (2003b:1-1), making this an important area of study. In spite of this, there is a general perception that organizations are more immune from terrorism as they are not considered likely targets (Then and Loosemore 2006) nor are they in the top ten risks most business leaders reflect on for prevention (Global Risk Management Survey 2009),
indicating this topic has practical significance and potential in the theoretical context of brand context management during a crisis (Elliot, Harris & Baron, 2005).

A brand crisis can result in a 73% drop in market (Jensen 1993), up to a 22% difference in market capitalization based on the way the crisis response was handled (Knight and Pretty, 1997) and brand value (Day et al., 2004). A study by Kim and Kim (2005) on luxury hotels finds that brand loyalty, brand awareness, and perceived quality have a significant positive effect on firms’ performance. Further studies like that conducted by Rhee and Haunschild (2006) find that firms with good reputation suffer more than those with poor reputation when they make mistakes. Effective crisis responses can help stock price recover quickly (Knight & Pretty 1997).

A review of 223 articles in 8 journals in the hospitality and tourism sector published between 2002-2003 by Oh, Kim & Shin (2004) found that only 0.9% of the total articles looked at brand related studies; 1.8% addressed image and 2.2% focused on PR and crisis management, indicating that this is an area with limited research. Mostafa, Sheaff, Morris & Ingham, (2004:399) find that most crises studies do not focus on the “soft” sectors of the economy (i.e. service sector). There is a lack of research in this area as shown by the search for scholarly peer reviewed journal articles using the key words “crisis” and “brand management” in abstracts revealed a lack of research in this area (see Table 1). Most of the articles found focused on product harm and recall. One of the few articles on managing brands during crisis (Tew, Lu, Tolomiczenko & Gellaty, 2008) reinforces a unified approach and effective communication to create a brand position and paradigm shift but does not give details of how this is to be done. These are elements that will be explored in this case.

Take Table 1.
RESEARCH OBJECTIVE AND METHODOLOGY

This research is exploratory. The objective is to propose a framework for brand management strategy during a crisis involving terrorism by answering the research: How do you manage a brand impacted by terrorism? Literature review using review keywords like communication, crisis management, organizational perception, reputation management, scandals, impact management, brand strategy, brand image, brand reputation, reputation damage, terrorism, product recalls, public relations strategy, disaster management and trust helped identify key areas in strategic and scenario planning (Pollard & Hotho, 2006) which helped develop theory. The case study approach was chosen because the paper is exploratory (Yin, 1993). Secondary research using first-person account narratives and key decision maker interviews broadcast live on TV through transcripts, published in the popular press, academic journals, industry or organization reports, briefs, and presentations were just some methods used (Tew et al., 2008). In addition, media used by citizen journalism: blogs, Twitter and Flikr was also reviewed. This allowed cross verification with theory (Yin 1994:21) and cross verification of these multiple responses thus providing “a lens through which the apparently independent and disconnected elements of existence are seen as related parts of a whole” (Polkinghorne, 1988:36).

Further four independent reviewers were used for the case: one from the hospitality industry; two from the reputation/crisis management industry and three from a practitioner who went through a sudden macro-environmental crisis. This helped achieve triangulation.

LITERATURE REVIEW: PREVENTING BRAND BURN

Deconstructing a Crisis for Management

There are four stages in the crisis management model looking at it from a chronological viewpoint amalgamating crisis and brand theory from Fink (1986); Meyer (1982); Ritchie (2004:674); and Tew et al., (2008). In today’s media age, the risk of a crisis is magnified through official media coverage, citizen journalism from social media, communication between individuals and victims creating a ripple effect (Smallman & Weir, 1999). As seen above, brand management and management of open source media has very little existing theory.

Balakrishnan (2010)
Stage I: Prodromal stage (early warning signals). In the Prodromal crisis stage, the objective is to take control quickly and effectively to resolve the crisis by finding a turning point that can make a crisis an opportunity (Darling, 1994; Fink, 1986; Lerbinger, 1997). It is a proactive stage (Meyer, 1982; Ritchie, 2004). At the brand level requires preventive planning, creative thinking and teamwork (Tew et al., 2008). Plans must be made at organizational, industry, regional and national levels (Tew et al., 2008).

Stage II: “The Crisis”. There are four smaller stages here. The jolt which is the actual point at which the crisis hits. The acute stage when the full impact of the crisis is felt. This is immediately followed by the point of no-return, a stage after which an organization cannot use conventional management tools to manage the crisis and has to reinvent itself. Last is the chronic (clean-up) stage where the immediate objective becomes to contain the crisis and minimize damage and impact. Initially it often takes the form of reactive strategies however if there is a good pre-crisis plan it can be more proactive. The decisions adopted during a crisis are very different from routine decisions because of the lack of information, the uncertainty of impact and the complexity of the decision process (Dearstyn, 2007). This type of scenario (unique, threatening, and stress-inducing decision-making environment) must be dealt with timely and consistently through knowledge management (Garcia, 2006; Wang 2009) by focusing on speed (how can I end this crisis) (Darling, 1994); keeping the information flowing (Day et al., 2004) and using organizational values as guidance (Smith 1999). Information flows must take into account key stakeholders (Mateja, 1987) especially as a crisis destroys the formal structure and the individual takes precedence (Smallman & Weir, 1999). The reality is that early warning signals though recognizable are not always actionable leaving managers to deal with the crisis at the chronic stage. At this stage, crisis management literature strongly points at (1) working with the industry (Elliot et al., 2005) (2) not pointing fingers (Kahuni, Rowley & Binsardi, 2009) and (3) using media as a communication tool to restore confidence(Tew et al., 2008). Part of stakeholder management is moving away from blame (not how it happened but making sure it does not happen again), ensuring there is no
public conflict and protecting key sponsors and partners appearing that a crisis task team is in charge (Kahuni et al., 2009: 60).

In terms of branding, the impact of the crisis (Darling, 1994) can be relooked in terms of brand components: Functional (loss of life; property; business) and symbolic (loss of information; psychological impact; impact on market perceptions – loss of reputation affecting brand/corporate value; loss of stakeholder confidence – media/suppliers). The classification from functional to symbolic can change based on the perspective given (Balakrishnan, Nekhili & Lewis, 2008), so reframing becomes important. It’s important to look at branding from an integrated point of view considering the public perception not just key stakeholders (Tew et al, 2008). Life, property and business are functional brand components as they are tangible and intrinsic to the brand. Information, psychological, perceptions and stakeholder confidence are symbolic as they can also impact consumers and affect higher order motives (emotions, relationships, experiences). Control over communication (Ritchie 2004) working with stakeholders (Ritchie 2004), leadership quick and effective decision making (Meyer 1982; Ritchie 2004)

**Stage III: Audit Stage.** The final stage is the aftermath which includes the chronical (audit) stage. This is technically the tag end of the crisis resolution and review stage. It presents an opportunity for an organization to learn and prepare for future crisis, heal and move forwards (Loosemore, 2000; Ritchie 2004). Speed and managing PR are still important and there needs to be a constant understanding of the customer perception of reality (Ashcroft 1997). Positive media information has an influence on the customer’s general impressions, a hotel’s social responsibility, and customer’s own future buying intentions more than negative media coverage (Vassilikopoulou, Siomkos, Chatzipanagiotou, & Triantafillidou, 2009). The perception of indifference is often the largest contributor to the aftermath of a crisis and can cause the public to become unforgiving (Garcia, 2006). Authenticity plays a key role in building, sustaining, and defending reputation, in communications and substantiating credible responses in the form of behavior most likely to restore trust and rescue a brand in crisis (Greyser 2009). The most important actions, are those taken to build a “reputational
reservoir” as a strong foundation for corporate reputation, reinforcement from experts, as a crisis management approach acknowledges customers as key stakeholders (Elliot et al., 2005). Reputation reservoirs that add to brand image come from the process of healing and moving on (Garcia, 2006) and by being perceived as voluntary actions (Souiden & Pons, 2009). This is a continuous process and must extend long after the crisis has come to some conclusion. During the review, the preventive plans must be seen in the larger context (Tew et al., 2008) of industry, region, and nation.

Understanding the Brand Scenario

A brand which is “a promise” comes under doubt during a crisis. This affects the brand associations (product, personality, organization, symbol) and benefits (functional and emotional) (Wallström, Karlsson, & Salehi-sangari, 2008). The relevance of the crisis to the brand (Dawar & Lei, 2009); where the crisis occurs in the brand association hierarchy (what is its promise) (Dawar & Lei, 2009); the prior reputation of the organization (Carroll, 2009) and the relationship history (Coombs and Holladay, 2001); determines the crisis impact. The impact of the crisis on the brand affects also the product category (Eagle, Hawkins, Kitchen and Rose, 2005). Hence a starting point for brand management is brand architecture and brand components.

Brand Architecture

Brand architecture plays a role in crisis management (Dawar & Lei 2009) as it is the external face of the business strategy and results in the organization of brand portfolios by specifying brand roles, representation and the relationship of brands to each other (Anadan, Prasanna, Raj & Ravichandran, 2006; Petromilli, Morrison, & Million, 2002). By managing multi-brand platforms, brand architecture can help gain financial and operational synergy (Sköld & Karlsson, 2007: 557) by preventing customer confusion (Petromilli et al., 2002). When choosing an endorser brand as a “face” for crisis management it is important to make sure the perception of this brand is as that of an “empathetic” brand or one “having the human touch”, with more “maturity”, or at least a perception of an older, more responsible action oriented person ( Neurofocus 2009;
Entine & Miller, 2007). This suggests that images chosen must focus on clarity and solid structures like family rather than chaos, for brand protection.

**Proposition 1:** During a crisis, the endorser brand in the brand architecture can help in preventing brand burn.

**Brand Components**

Brand components are of two types: symbolic and functional (Keller, 1993). Functional brand components are associated with Maslow’s lower order needs and are tangible, intrinsic, basic and satisfy primary need (Bhat & Reddy, 1998; de Chernatony, Harris, & Riley, 2000; Hankinson, 2004; Keller, 1993). Symbolic brand components are associated with Maslow’s higher order needs which are mostly intangible (Keller, 1993; Mowle & Merrilees, 2005; Sirgy & Su, 2000) and include social needs (Bhat & Reddy, 1998); relationship needs (Hankinson, 2005); emotional and psychological needs (Baloglu & Brinberg, 1997); and experiences (Gross, Brien & Brown, 2008). Coombs and Holladay (2001: 332) reiterate the importance of looking at the crisis through the symbolic approach and stress that it “can be used to protect the organization’s reputation and to affect stakeholders’ future interactions with the organization.” The symbolic approach is part of the reframing technique popularized by Bolman & Deal (2003) where the focus is to get legitimacy, external confidence and faith and it works in non-linear situations of uncertainty by creating and giving interpretation to experiences; weaving a cultural tapestry of myths, stories, hero and heroines, ritual and ceremonies to give a purpose and passion. The reframing technique is useful as the analysis of existing conditions determine the adoption of brand up to 33-65% of the time (Palumbo & Herbig, 2000). Symbolic components create differentiation between places (Hankinson 2004), a competitive advantage in the marketplace (Mowle & Merrilees, 2005) and play an important role in luxury brands (Jamal & Goode 2001).
Emotional components are symbolic and easier to translate through word of mouth (WOM), as they have more relevance and greater appeal in times of crisis, giving maximum variance to personality of a place (Hosany, Ekinci & Uysal, 2007). Further emotional connections, which is an ignored area, is more effective for communication as it synergizes all five senses. A 13 country study by Lindstrom (2005) indicates that 99% of brand communication focuses on two key senses – sight and sound. WOM’s important is highlighted from the findings of a survey of 25,000 people that finds that 90% of the people trust recommendations from people they know (Nielsen IAG, 2009). Positive WOM builds brand image (Grace & O’Cass, 2002; Gremler & Brown, 1999; Wangeheim & Bayón, 2004).

**Proposition 2a:** During a relevant crisis, when functional components are affected, the key to resolution will be to change focus to symbolic components.

**Proposition 2b:** The use of WOM of past positive experiences can help reframe to a symbolic context preventing brand burn.

Recession studies show that consumers believe when a company does not advertise during recession, its business must be struggling (Ad-ology Research, 2009). Similarly a Nielsen IAG study (2009) finds that when there are investment concerns due to market conditions; the confidence in an organization can be increased by communicating regularly using advertising, mail, email offers, internet advertising and positive press stories. Positive press stories built confidence more effectively than all the rest of the communication channels (44% of the respondents approved versus 25-20% for other channels). Further consumers have very short memories. Research shows that the memory for information about the companies would decay after one week, hence potentially sticky situations can be avoided if contained with a flood of positive articles instead (Payne, 2006). This finding indicates that during a crisis brands must keep on communicating with customers to ensure that its brand value does not corrode. This leads to the third proposition.
Proposition 3: The brand needs to proactively engineer positive media stories so customer brand equity is not lost.

This is an era of social media and still the relevance and impact of media like Twitter, TwitPic, Facebook and Flikr are being ascertained by industry and even in research. Blogs are effective tools (NeuroFocus, 2009) as internet users trust on-line recommendation (Nielsen Media, 2007). However, overall traditional media like newspapers, televisions, magazines and radios are considered more trustworthy than on-line forms of advertising (Neilson Media, 2007). Since WOM plays such an important role, non traditional media needs to be used to support official media ensuring that the message is common. A common message helps in managing a brand during crisis and reduces uncertainty (Tew et al., 2008).

Proposition 4: To reduce brand burn, media used by the organization, should be perceived as official; must be supported by nontraditional media and must have a unified message.

26/11: UNDERSTANDING THE CRISIS IN MUMBAI FROM THE TAJ CASE STUDY

PERSPECTIVE

On 26 November 2008, Mumbai, the commercial capital of India was under a terror attack that paralyzed the city for over 60 hours. This ordeal was televised live, with real-time images posted on Flikr and tweets resounding around the world. Terrorists attacked five star hotels and other landmarks taking 163 lives (Nair, 2008a) who were mostly Indians (83%). Over 350 people were physically injured. The crisis impacted economy and international perception with India loosing USD 100 billion immediately after. At the national level, hotels saw an immediate 60% cancellation in bookings (knowledgeindia@wharton.com, 2008). Society was affected by the fear psychosis and survivors guilt.

Though all hotels had been warned of a terrorist attack months in advance and all precautions were in place, the attacks still came as a surprise and overall administrative and police response was slow. The information
overload hampered security operations. The 60 hour live television coverage (all 30 of the Indian channels and other international channels) even described during the blackout, details of the commandos operations. This was reinforced by real-time citizen journalism (Gauravonomics, nd). Twitter reports appeared before major TV networks picked up the story and social media became the source of later TV coverage.

THE TAJ MAHAL PALACE & TOWER

Brand Architecture
The Taj Mahal Palace & Tower (Taj Mahal) is the 107 year old flagship hotel of The Taj Hotels Resorts and Palaces which is composed of The Indian Hotels Company (IHCL) and its subsidiaries. The Taj group is the largest Indian chain of hotels in South Asia with internationally acclaimed palaces and hotels like The Pierre, on New York’s Fifth Avenue and the Blue, Sydney in its portfolio. In terms of brand architecture, IHCL uses the hybrid model where there is a strong corporate brand (Taj) but some flexibility with individual divisions to position themselves against competitors in their respective niches (Anandan et al., 2006). In the bigger schema, Taj is a part of the Tata house of brands which acts as endorser (Aaker & Joachimsthaler, 2000; Kapferer, 2002). There is a halo effect from the house of Tata’s which is a 140 year old brand with total revenues in 2008-09 touching USD 70.8 Billion and having an international contribution of 64.7%. Tata’s have been in the news for the high profile takeover of Jaguar Land Rover in 2009.

The Taj Mahal is the first 5 star hotel in India by an Indian, having played a significant role in Indian history and independence. The Taj brand, infrastructure and service are considered key competitive advantages as it is a pioneer in the Indian food & beverage experience (Annual Report 2009:23). Both the Taj brand and the Taj Flagship hotel have strong brand recognition. In addition to this, Ratan Tata, the Chairman of Tata and Sons adds his personal brand aura to the hotel (Kneale, 2009; Harvard Business School 1995; Brand Finance, 2009). The Indian context is important as India’s “Incredible India” campaign was said to have had the highest brand recall worldwide for travel and leisure and India was the leading destination according to...
World Travel Awards and Condé Nast Traveller (Annual Report 2009). In 2003, the Taj group of hotels appointed the US-based Landor Associates to help with the brand restructuring and the new brand architecture restricts the use of the brand name “Taj” to the luxury segment which contributes about 70% of its revenues (Zachariah, 2008). The brand context of Taj is shown in Figure 1.

Take Figure 1.

In terms of overall performance, IHCL stock a year prior to the crisis seems to be as volatile as the market which means the firm is vulnerable to systematic risk (Tata Investor, 2010). The industry suffered in 2008 due to global recession and tourism decline. In spite of this, on 26th November, 2008, Taj had some 1000 guests and some high profile get-togethers – A global Unilever CEO and Board Member Meeting, a wedding and two other corporate meetings indicating its popularity was intact (Perumal, nd). Of the 1710 staff, 592 of them were on duty on that day (Moreton, 2008; Perumal, nd). When the crisis hit, two key questions emerge, what is the perceived relevance of the crisis with brand and what is the percentage of customers familiar with the Taj brand? The brand familiarity of the Indian population with Taj and Tata is very high and there is a strong international recognition because of its brand components and various awards received for IHCL, Taj brand campaigns and Taj Mahal (Annual Report 2009). Because the relevance and the familiarity are very high, the challenge is this case is to minimize the damage and reframe.

**Brand Components**

The brand campaigns Taj was using in 2008 seem to focus on symbolic elements (Analyst Meet, 2008). “The Taj brand will strive to deliver to its guests a sense of discovery. We recognize the importance of the human spirit and the human soul in caring for others. This is what has sustained us and made us successful in the first 100 years of our existence… Our commitment is to make the Taj a byword for luxury and the Taj Mahal a synonym for splendor” (Bickson, 2003). The media mix for targeting business people, tourist and leisure
travelers were magazines like Condé Nast Traveler, Travel & Leisure, Forbes, Fortune, Business Week and the Economist and airport departures terminals symbolically representing luxury, travel and business.

**Phase 1: Prodromal Stage: Prior to November 26, 2008, 8.30pm**

Preventive strategies are important in the prodromal stage. So the key question was did Taj act on the intelligence they received of possible threats? Taj implemented the following security systems: they did not allow cars to park in front of the entrance and had scanners and security checks at all security entrances, CCTV and had a sniffer dog at the back entrance. Ratan Tata (2008) emphasized the measures would have been inadequate since the terrorists entered from the back and that the city crisis infrastructure was low. Experts say that for this level of terrorism there are very few measures that can be taken (FEMA, 2003). Further, the challenges in planning for such crisis is that an outward show of security in the hospitality and tourism sector can demoralize prospective guests (Balakrishnan et al., 2008). At this stage, brand components focus is functional in addition to the symbolic elements depicted in Figure 2 with a discrete emphasis on security.

Take Figure 2.

**Phase 2: Crisis Phase: November 26, 2008-November 29, 2008**

*Brand Architecture: Managing information and Proactive damage control*

The values for the Tata group of companies come from their founder Jamshedji Tata (TataInc., 2005). The Taj Management reacted immediately by creating a war room in the office behind the Taj Mahal and as events unfolded, Taj posted updates on a mircosite that was set up immediately after and manned 24/7 to keep the community informed of all that was officially happening (Annual Report 2009). Dr. Leslie Gaines-Ross, Weber Shandwick’s Chief Reputation Strategist commented on her blog that the microsite was the “best practice of how web sites should communicate after tragic events befall them” (2008). All senior
managers were hands on trying to minimize collateral damage, save lives and help Indian intelligence since the crisis was a security issue that need collaboration with civic, state and national governments. Though the group IHCL was involved, the brand linkage was India, Mumbai, Taj, Taj Mahal and Tatas (through Ratan Tata).

For the Taj group, the stakeholders were employees, customers and key investors. Information was managed first at organizational level (staff trapped within were in touch with Taj management) and Taj management was in touch with key stakeholders, customers, government and quasi government authorities and media. Considering the loss of life (31 people) and the dramatic situation in which it happened, Taj managed to minimize blame but did strongly insisting during a press conference on 27th December that there needs to be a crisis plan in place from both state and government authorities. *It took the National Security Guards 10 hours to arrive. It took over 3 hours for the fire station to reach water to the 6th floor to extinguish flames by which time the general manager’s (Karamveer Singh Kang’s) whole family (his wife and two kids) were burnt to death in the bathroom. At this point, citizen journalism was rampant but unmanaged.*

At the customer level, information continued to flow. From the company viewpoint, Taj telephone operator staff systematically called each room informing them to lock their doors and not stand by the windows. A help line was established in Wellington Mews (serviced apartments) indicating some non traditional media. A strong show of solidarity was seen through the involvement of the Tata patriarch, Ratan Tata who was constantly in touch with RK Krishna Kumar, the VP, IHCL since 26 November Wednesday 9.00pm. At this stage reframing was taking place – making it a national security crisis; with a unified message emerging from IHCL, Taj group and Tatas through Ratan Tata and R K Krishna Kumar as key spokespeople. Ratan Tata’s whose pictures on television outside the Taj Mahal were stark reminders that not a single political party member was there. Official channels were used for communication and messages focused on (1) empathy (2) what they were doing to help (3) reinforcing relevance. By using the Tata endorser brand, the focus on Taj security became refocused on Indian security. The endorser brand and the empathy showed
helped further cement the bonds with the public. This was in spite of a negative media story speculating about how the terrorists knew the both the Trident and Taj Mahal hotel layouts. By keeping limited spokespeople and flooding the media with positive stories we see the Taj Mahal avoided a potentially tricky situation. Here we see support for proposition 1a, 1b, 3; maybe some support for 4.

**Symbolic Reframing: The Human element and Distancing from the Event**

Most Mumbaites lived vicariously through the ordeal by TV coverage hence there was a need to get the stakeholder to move away from functional components (security, loss of life) to symbolic frames. Interviews with media by official Taj spokespersons who were considered experienced, highly regarded in society and the business community, focused on the message that the attack was an attack on India and the strength of the Taj group was its people who were willing to lay their lives down for the patrons. Press releases were on the history of Taj, its role in the Indian independence, the Founder’s indomitable spirit and his contribution to Indian industrial development and similar inspiring stories. Personal stories from Ratan Tata’s childhood and his personal commitment to rebuilding the Taj added symbolic value. Tata said “*I can only say that it (Taj) somehow epitomizes the will of my great grandfather, because it stood up to all the abuse it has. And we will have it in shape, hopefully for another 100 years*”. These anecdotes and quotes added the human touch and increased brand familiarity, reframing the crisis symbolically as an attack on India. By 29 November, stories of staff heroics like the bravery of the GM who in spite of knowing his whole family died, continued to work even after a visibly moved Tata requested him to stop, were in the media.

The Tata group with every press statement reinforced that fact that this was an attack on India. That it was a fight against terrorism. “*We cannot replace the lives that have been lost and we will never forget the terrifying events of last night, but we must stand together, shoulder to shoulder as citizens of India, and rebuild what has been destroyed. We must show that we cannot be disabled or destroyed, but that such heinous acts will only make us stronger. It is important that we do not allow divisive forces to weaken us. We need to overcome these forces as one strong unified nation.*” Tata said (2008b). This cry seems to be carried
by most media in their headlines and the representation of this crisis was often the picture of Taj Mahal Palace which symbolically represented the war on terror. Here we see support for Proposition 2a and 2b.

**Phase 3 Crisis Resolution and Review: November 29 onwards**

At this point there was no background individual communication from Taj staff. A search through the newspaper reports and blogs finds no staff interviews or comments other than those mentioned which indicated that Taj took a unified stance in communication (supporting proposition 4).

**Change communication patterns:**

**Brand architecture**

Experts like a business veteran like Ratan Tata standing by the entire 60 hours, added to the credibility to the communication (Smith 1999). Taj and Tata’s became proactive and instead of taking a defensive stance they (1) thanked all security, police, fire, hospital and other personal and (2) set up a welfare fund, “Taj Public Service Welfare Trust”, which benefited all victims of the Mumbai Terror attack. Donations received from the public were used for providing medical support and relief to any dependents and victims in the Mumbai crisis to help rehabilitate them to lead a normal life. This increased goodwill and strengthened the bond with the endorser brand, the Tata group which gave the Taj Mahal brand an anchor. The Tata’s are well established industry spearheads in India and known for philanthropy. This also established a positive link with Mumbai.

**Brand Components and Communication**

A guest outreach program was put together by Taj to contact each and every guest who was staying there making sure that all luggages was retrieved and delivered (Annual Report, 2009). Emotional advertisements like the “I will Prevail” and “Welcome Home Again” (see Figure 3) were released in public media (adfaq.com, 2008); and for the re-opening invitations were sent to the 200,000 database (Annual report, 2009). From the employee point of view, Ratan Tata and Senior managers met every one of the staff
members and their families affected by the event (Economic Times, 2009). Not a single staff member was retrenched during renovations (Tata Media release, 2008); all salaries paid (Permual, nd) and even their psychological health was looked within two or three days using large scale interactions of 200-300 guests and employees people, town hall meeting, group interactions, workshops, meditation programs and professional training on a regular basis (Economic Times, 2009; Moreton, 2008; Perumal, nd). This is a neglected area according to Day et al., (2004) and Everly (2000). This tools extended context of brand architecture to reframe the situation away from brand performance (functional) into symbolism (emotional) and create a highly empathetic and caring outreach program creating a reputational reservoir through authenticity.

Take Figure 3

Another interesting point was that the Taj refused to use a burning Taj in any of their communication though that was what was being used by popular press. All communication showed the Taj in its entire splendor (especially the original dome which was burnt) and words alone were used to represent the grief. The “I Will Prevail” advertisement (Figure 3) was released immediately after the crisis as a full-page ad in Indian newspapers and across the world. The media partners showed their support by either heavily discounting the advertisements or running it free. This strategy seems to have prevented brand burn as it emphasized the direction and commitment Taj had and their “Can Do” spirit of fighting against all the odds. This rallied the public and even share holders. This managed to shift the focus from the 31 dead to the 1000 plus guests who were saved. The proactiveness Taj took with the public and the fact that it was voluntary adds to brand image.

IHCLs' vice chairman RK Krishna Kumar said, "In those three terrible nights, they defined new standards for the industry. The evil and death inflicted on us have been redeemed by the extraordinary spirit shown by our staff." (Tata Media Release, 2008). Within 23 days the Taj Towers were opened. Symbolically this was
an indication that they would overcome. It was an industry effort with the Oberoi’s opening Trident, another terrorist attacked hotel. The best international designers and experts were used in restoration (Annual Report 2009:29). A multi-religion ceremony, and a memorial marble slab with the inscription For now and forever you will always inspire us, November 26, 2008, bearing a list of the victims found a permanent place in the lobby (Kripalani, 2008; rediff.com 2008). A bronze statue of the tree of life that had survived a bomb attack on the burnt, gutted 6th floor was kept next to the memorial as a symbolic representation that Taj would go on. For the reopening, over 1200 staff served the 1600 guests who came, and all restaurant bookings were sold out in a show of solidarity (Economic Times, 2009; Nair 2008b; Tata Media Release 2008).

**Epilogue: Brand Burn Contained**

The insurers paid for the first installment of the USD 2.2 Bn. insurance without the company claiming it (Tiwari, 2008). By 2010, the 565-room property will be fully reopened. All phased opening are seeing overwhelming bookings especially for restaurants which are waitlisted on openings (Baggonkar, 2009). No traces remain of those horrible 60 hours. But the spirit lives on in the stories, the tales and more importantly the people who are the living personification of the Taj brand. The Taj share price continued to move with the market (TataInvestor, 2010), indicating that the brand did survive brand burn. There is support for Proposition 1b, 2a and 2b, 3 but some support for Proposition 4. Taj did not interact with the social media and citizen journalism was left to censor itself. Using these additional data points it is possible to propose the following framework (Take Figure 4). Areas of potential improvement in similar context are: management of social media; greater collaboration with industry, civic, state and national organizations and using the opportunity to bring potential new leaders to the forefront as there is nothing like a test of fire to prove leadership.

Take Figure 4

**CHALLENGES & FUTURE RESEARCH**

Balakrishnan (2010) 18
The main challenge with this study was sorting through the amount of secondary data. This required cross verification and substantiation from multiple sources. As Greyser (2009) says information on reputation is rarely available from within a company. Most information is cross-verified through official media releases. Since there is a dearth of theoretical information on this topic, research findings were extrapolated from general branding, crisis management, communication and product recall literature. More research is required on management of social media and applicability of this model in other contexts. This indicates there is a potential for future research studies in this area.

Bibliography


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rediff.com. 2008. Taj Hotel memorial mourns terror victims. 21 December


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Tata Investor: Share Chart. 2010., Available:


Zachariah, R. (2008), Taj's brand makeover for premium business hotels, *TOI*, 15 December

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Figure 1: Context of Taj Mahal Palace & Tower Brand

| INDIA: Hospitality and Heritage; Freedom Struggle, Incredible India campaign, BRICK nation |
| MUMBAI: Heritage and Commercial Capital of India, megapolis, Bollywood |
| TATA Group: Quality, Reliability, Value: contributors to Nation Building; 140 year brand; innovative and top 100 global brands; governance and leadership; |
| RATAN TATA: Patriarch, Legacy of Tata; Successful & powerful world Business Man |
| TAJ BRAND: Indian Hospitality and Graciousness; Trustworthy; |
| INDIAN GROUP HOTELS: owners of Taj, Residency, Ginger and International hotels like the Pierre (almost synonymous with Taj) |
| TAJ MAHAL Palace & Towers: Flagship Icon for Mumbai and Freedom Struggle, symbol of success (most corporate heads stay here and 104 years old); India’s first 5 star hotel built by an Indian during the time of the British Raj |

Source: Author
Figure 2: Brand Components of Taj Mahal Palace & Tower, Mumbai

Symbolic Brand Components
Emotional: Indian Patriotism, heritage and culture, personal emotions due to experiences like nostalgia etc
Experiences: personal, aspiration, Indian British raj hospitality, occasions [holiday, wedding, events, business, etc]
Relationship and social: friends, corporate, celebrities (self-congruence); exclusive club (Chambers); the rewards programs

Intangible: World class Luxury with Indian Hospitality

Functional Brand Components
107 year old Iconic building (old wing – Taj Mahal Palace and new Taj Mahal Tower) and proximity to Gateway of India, the causeway, shopping
The various types of cuisine, the furnishing , 565 rooms +46 suites; the view
The services (hospitality, F&B, club, shopping, hair dressing salon, etc)

Source: Author
Figure 3: I Will Prevail

"I HAVE HELD MY GROUND AS
HUMAN HISTORY HAS UNFOLDED IN ITS TIMELESS
PROCESSION OF LAUGHTER AND TEARS,
COURAGE AND COWARDICE, GOOD AND EVIL
I WILL PREVAIL."

Source: http://www.afaqs.com/perl/advertising/creative_showcase/index.html?id=7887&media=Print
Figure 4: Conceptual Model for Brand Crisis Management

<table>
<thead>
<tr>
<th>Phases of Adaptation</th>
<th>Anticipatory</th>
<th>Responsive</th>
<th>Readjustment</th>
</tr>
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<tbody>
<tr>
<td>Prior to Crisis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Strategy</strong></td>
<td>Plan, prevention, creative thinking, teamwork, training, key spokesperson/contact cell</td>
<td><strong>Integrated Crisis Management Plan</strong></td>
<td>Brand Architecture: Use Endorser or halo brand to support the crisis affected brand to prevent brand burn. At this stage important to reframe the context so the alignment and influence of crisis minimizes relevance to brand functional performance</td>
</tr>
<tr>
<td><strong>Stakeholder Plan</strong></td>
<td>(organization, industry, regional and national)</td>
<td><strong>Public brand management</strong></td>
<td>leadership, political and social responsibilities, government responsibilities; industry collaboration</td>
</tr>
<tr>
<td><strong>Brand Architecture</strong></td>
<td>Identify potential endorsers; Halo brands, have a contingency driver role brands</td>
<td><strong>Brand Component</strong></td>
<td>Focus on past credibility, heritage, past and emerging heroes and heroines, past and potential leaders since this opportunity will help showcase potential leaders</td>
</tr>
<tr>
<td><strong>Brand Component</strong></td>
<td>Identify potential symbolic elements from past history, culture, people,</td>
<td><strong>Stakeholder Focus</strong></td>
<td>Identify customer loyalty groups; organizational, industry, regional and national stakeholders that can be also counted as expert and influence/work proactively with media (know names of key media person whom you can proactively call and give interviews to).</td>
</tr>
<tr>
<td><strong>Brand Position</strong></td>
<td>As designed</td>
<td><strong>Stakeholder Focus</strong></td>
<td>customer/group impacted with crisis event; customers, then staff and public. Simultaneously keep on one-is-one basis keep organizational, government, industry key partners aligned. <strong>Media</strong> needs to be proactively managed but access restricted to key official spokesperson.</td>
</tr>
<tr>
<td><strong>Stakeholder Focus</strong></td>
<td>customer/group impacted with crisis event; customers, then staff and public. Simultaneously keep on one-is-one basis keep organizational, government, industry key partners aligned. <strong>Media</strong> needs to be proactively managed but access restricted to key official spokesperson.</td>
<td><strong>Brand Component</strong></td>
<td>slowly get back to functional and the key essence of the brand. Redefine in the light of the crisis. If in service industry, the customers will be central to brand theme. Opportunity to highlight staff as competitive advantage</td>
</tr>
</tbody>
</table>

Source: Author
Figure 8: Conceptual Model for Brand Crisis Management (continued)

<table>
<thead>
<tr>
<th>Prior to Crisis</th>
<th>During and Immediately after Crisis till Resolution</th>
<th>Post Crisis: Long-Term Resolution and Review</th>
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<tbody>
<tr>
<td><strong>Communication:</strong> create an organization plan for the official communication channel. Have a policy to restrict unofficial communication and updates. What values do you wish to focus on?</td>
<td><strong>Communication:</strong> restricted but continuous. Message must be official and unified. Channels should be official and wide-reaching (plan for press meetings). If there is an investigation, communication proactive cooperation with authorities. For public communication must be empathetic and authoritative (with respect to the fact you ARE managing the crisis). <strong>Media:</strong> arrange for a constant feed of human interest stories with brand relevance to heritage.</td>
<td><strong>Communication:</strong> updates, continue with human interest stories and proactively feed stories about what the company has done. Keep markets not directly impacted safe using a ‘normalcy’ communication pattern to show “business goes on”. Create a memorial/ritual/byline to show that the event is a fabric of culture and how organization survived with great spirit.</td>
</tr>
<tr>
<td><strong>Visual:</strong> normal brand images</td>
<td><strong>Visual:</strong> Focus on iconic images brand without tainting the image with event (public have short memories and you want to instill hope)</td>
<td><strong>Visual:</strong> Show normalcy. There will be enough pictures of what happened so you need to show how you moved on. Also you do not want to taint your association with the brand negatively.</td>
</tr>
<tr>
<td><strong>Communication Spokesperson:</strong> normal TMT, spokesperson. Identify empathetic people.</td>
<td><strong>Communication Spokesperson:</strong> older, respected, person with a halo effect, possibly a driver role or an endorser. Takes precedence over spokesperson, also require a TMT representative that can connect to media and public to take charge.</td>
<td><strong>Communication Spokesperson:</strong> Slowly decouple and move to TMT and key managers (to create a semblance of confidence). Get heroes/heroines to speak.</td>
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<tr>
<td><strong>Media:</strong> regular as per brand image</td>
<td><strong>Media:</strong> public and national media; Keep an official feed for social media. Use existing media to run press releases.</td>
<td><strong>Media:</strong> regular media with press releases. Use customer WOM.</td>
</tr>
</tbody>
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Source: Author