New Balance: Fanning a Video Firestorm

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Abstract
In November 2016, Matthew LeBreton, vice president of public affairs for New Balance (NB) athletic shoes, publicly supported Donald Trump’s trade policies after a highly emotional presidential election. In expressing extreme displeasure, scores of disapproving NB customers posted videos of burning their NB shoes. NB had to decide how (or if) to respond to such angry backlash. This decision case illustrates the effects that a company representative’s comments can have on the company’s reputation and brand. It allows students to develop a corporate response utilizing Aaker’s (1992) theories on brand equity and Coombs’ (2007) framework on situational crisis communication. The case also allows students to evaluate a major political change and economic change on a company and its primary competitors.

Learning Outcomes
In completing this assignment, students should be able to:

1. Evaluate a business’ risk when publicly supporting a political issue – even one that benefits the business – during a time of extremely emotional political division.
2. Identify the risks of publicly acknowledging the benefits of a specific politician’s policy objectives, particularly when the electorate holds divided views on that politician and his/her positions.
3. Evaluate public reactions to a brand in light of Aaker’s (1992) framework on brand asset and liabilities.
4. Devise corporate communication strategies intended to alleviate the firestorm using Coombs’ (2007) framework on situational crisis communication in conjunction with Thomas et al’s framework on strategies to mitigate negative social media attention.
5. Recommend a strategy for New Balance in light of negative social media attention.
6. Evaluate the implications of significant political changes for a firm and its competitors.

Application
The case is most appropriate for undergraduate courses in organizational communications, public relations, marketing, marketing management.

Key Words
Marketing, Brand Equity, Crisis Communication, International Economics

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