

Crisis management cases

[Business](#)



Crisis Management Cases Coca-Cola, Belgium Issue: On 14 June 1999, in a move that was to cost more than \$200 million in expense and lost profits and cause damage to the brand image of the trade-marked products of The Coca-Cola Company (CCC), the Belgian Health Ministry ordered that Coca-Cola trademarked products be withdrawn from the Belgian market and warned Belgians not to drink any Coca-Cola trade-marked products they had in their homes.

Later, France, Luxembourg and The Netherlands also banned or restricted the sale of Coca-Cola products. Reasons for recall of the products were two unrelated matters. 1. Some consumers complained of an irregular taste and odour in bottled products. 2. More than 100 consumers became ill after reporting an unpleasant odour on the outside of the canned product.

Due to this scandal everybody was questioning on the quality of Coca-Cola products.

Company's reaction to the crisis: After a week, The Coca-Cola Company responded with its first statement saying that they regret problems encountered by their consumers in Europe and that the Company's highest priority is the quality of the product and they reassured their consumers, customers and government officials in Europe that they are taking all necessary steps to ensure that their products meet the highest quality standards.

After the complete investigation they identified 2 problems: 1. "Off-Quality" carbon dioxide that affected the taste and odor of some bottle drinks. 2.

An offensive odor on the outside of some canned drinks the odor appeared to intensify when the cans were stored in vending- machines. Coco-Cola Comapany apologised to their consumer for the inconvenience they faced due to this problem. Due to this scandal image of the company for consumers was not positive.

Later, in mid-July they put in a lot of focus and money on aggressive advertising to rebuild their lost image in Belgium. This has successfully helped the company to regain its original image in the market and prevented the loss in market share.

Sources: 1 . [http://www.fh-fulda.](http://www.fh-fulda.de/fileadmin/Fachbereich_SW/Downloads/Profs/Wolf/Studies/belgians/belgians_crisis_management.pdf)

[de/fileadmin/Fachbereich_SW/Downloads/Profs/Wolf/](http://www.fh-fulda.de/fileadmin/Fachbereich_SW/Downloads/Profs/Wolf/Studies/belgians/belgians_crisis_management.pdf)

[Studies/belgians/belgians_crisis_management. pdf](http://www.fh-fulda.de/fileadmin/Fachbereich_SW/Downloads/Profs/Wolf/Studies/belgians/belgians_crisis_management.pdf)McDonalds, India Within hours of the story breaking that McDonalds in the U.

S. had been using oil with