

Case study of kfc malaysia holding



**ASSIGN
BUSTER**

“ A Case Study of KFC Malaysia Holding: Channel used by KFC to solve communication crisis”

Abstract On 6th February 2013, the kitchen staff of KFC I- City outlet at Shah Alam, has gone violent toward one of the customers due to miscommunication. The customer was then put on the floor after a heated argument between the staffs and the customer. This problem then solve by KFC Malaysia Holding with a proper alternatives. One of the alternatives used by the company is to use the right channel in solving the issue. Basically, the main aim of this research is to examine the channel used by KFC Malaysia Holding to solve the communication issue specifically the incident of staff and customer caught into a fighting. This research is tries to answer the question of the effectiveness of the channel used by the company to solve the problem or issue. The survey method will be employed in this research for data collection. As this method fall under quantitative method, SPSS (Statistical Package for Social Sciences) software will be used to analyze the data. The finding of this research will help the future researchers to understand the effectiveness of channel used by the Food & Beverages Company in solving their problem or issue. Besides, this research will help to add more literature on the same topic.

Keywords: Channel, problem, Food & Beverages, Effectiveness

Literature Review

Definition of Crisis

In Effective Crisis Communication (2011), crises can best be defined as unique moments in the history of an organization. Nowadays, the word "crisis" has been used widely in a daily conversation. People use this word to describe their problem. For example, they refer to this word if they forgot about their appointments with their clients, having a bad hair day or even quarrel with the family members. All of these are awful experiences that do not portray or describe the crisis. When it comes to the company, most of the company refers to crisis as something related to the problem. For example, low sales or short of manpower are assumed as the crisis to the company. All of the situations are not crisis. But, usually the company will consider all the situations as crisis.

Crisis is defined as any situation that is threatening or could even threaten to harm people or property, seriously interrupt business, damage reputation and/or negatively impact stock value (Jonathan Bernstein, 2006). According to Hermann (1963), he identified three characteristics of separating crises that are surprise, threat and short response time. An event will not achieve the level of crisis without coming as a surprise, posing a critical level of threat and forcing a short response period. Robert, Timothy & Matthew (2011) mentioned in their study that crises can be divided into two categories which are intentional crises and unintentional crises. "Intentional crises are those intentional acts which are designed to harm an organization such as terrorism, sabotage, workplace violence and poor risk management whereas unintentional crises are the crises caused by natural and some uncontrollable factors such as natural disasters or product failure" (Robert, Timothy & Matthew, 2011). As for the incident case that happened in KFC

Malaysia I-City outlet, the incident are category under the unintentional case of crisis. The incident happened due to some misunderstanding between the worker and a customer who has been waiting for the food for some times and did not get the food.

Crisis Communication

Every company experiences crises but many of them never try to overcome the crisis (Gupta, 2011). Jonathan Bernstein (2006) stated that the cheapest way to turn experience into future profit is to learn from others' mistakes. There are eleven biggest mistakes to avoid during crisis. To make sure that the crisis flourish and grow, organization should avoid these 11 mistakes: play ostrich, only start work on a potential crisis situation after its public, let the reputation to speak, treat the media as enemy, get stuck in reaction mode versus getting proactive, use language that the audience does not understand, assume that the truth will triumph over all, address only issues and ignore the feelings, make only written statements, use "best guess" methods of assessing damage and repeat the same things again with expecting different outcome. (Jonathan Bernstein, 2006) These all are the big NO in a crisis.

Besides that, Bernstein (2004) also has implemented the 10 steps of crisis communications in solving the communication crisis. One of the steps stressed by Bernstein (2004) was mentioned that the staff in the company should be trained in advance in order to get prepare for respond to all kind of questions. When KFC Holding Malaysia had found themselves in a hot water situation when the video of the fight case gone viral on YouTube, the

company has quickly taken steps by keep on posting regular updates on Facebook page to keep the customers updated on company's investigation as well as by doing this the company tries to calm down the anger of the public over the incident happened in its I-City outlet.

Apart from this incident, KFC Malaysia was also faced with another crisis in 2011, where there was an video of food tampering by their kitchen staff started to circulate on Internet in year 2011. However, KFC Malaysia company does not try to avoid the crisis, instead, as part of the crisis response strategy, the company established a page on its Facebook to tell its side of the story in order to restore the consumer confidence. Fong (2011) said that KFC Malaysia was success in avoiding crisis to its timely, open, truthful, Internet present and broadly communicated crisis communication plan as the approached enabled the company to seize the information initiative and effectively frame the crisis as the action of a single rogue employee.

Channel Used by Company to Solve Problem

According towww. ask. com/question/what-are-communication-channels, a communication channel is refer to the medium which is used in transmission of a message from one party to another party such as print media or broadcast media. Channel is also defined as a method or system for communication or distribution in Oxford Dictionaries. Nowadays, as the internet has changed the way people work and interact, social media has broadly used by company as the channel to solve the crisis. Social media can be used as primary means of communication or as an alternative or even

additional method for communication. Social media provides many ways to disseminate information in a fast, inexpensive and efficient manner which this help to get right information to the right person at the right time.

(Connie M. White, 2011) Moreover, social media is also being used as an alternative way for emergency managers to communicate with the public as well as each other. It provides a free and easy way to disseminate large amounts of information to large group of people quickly yet efficiently.

(Connie M. White, 2011) Therefore, when KFC Malaysia is facing the communication crisis back in year 2011 regarding about the fight case happened in one of the outlet, KFC Malaysia used Facebook as one of the channel to solve the crisis. The company keep the customers regular updates about the investigation by posting the status on its Facebook page. Other than that, when the food tampering happened in June 2011, KFC Malaysia used social media such as Facebook and YouTube as the channel to solve the communication crisis. The company try to restore back their brand images by telling its side of the story and they have created Question & Answer section in their social media page. And this has successfully lead KFC Malaysia out of the crisis.

Conclusion

This case study is done to provide more literature on Food & Beverages field of how the company settle and solve the crisis. Besides that, this case study is also done to understand the channel used by the Food & Beverages company while counter the problem and to help KFC Malaysia Holding to improve their services in the future.

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