

Free research paper about the role of public relations in mcdonald's to face the ...

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Abstract

It is not strange that crisis management became effect on the goals and successes of many companies because it consists of a lot of negative effects which lead a lot of risks on the economics of companies and threat the reputation especially if it the universal company such as McDonald's restaurant which has many branches all over the world. This article discusses the public relations efforts in a McDonald's to face the hot coffee crisis which is one of the most important cases that happened in McDonald's after legal issue made by Stella Liebeck against McDonald's because the health damage which affected her body by spilled the hot coffee in her body . This article focuses on how public relations was able to solve and face this kind of surprises crisis and re earn the trust of many customers by create a media plan that solve the problem such as contact with audiences by social media to clarify the facts, prepare for the press conferences to answer the several inquiries, design the media material to raise public awareness and Increase the advertising space in TV to gain confidence of the public .

Keywords : Public relations , McDonald's , Crisis management , hot coffee and issue

Background And Overview Of Public Relations In Crisis Management

Public relations is one of the oldest communication activities throughout history . In the past most people were interested to communicate with others in their community . That helped them to get the news , information and they attended the assemblies which support them to contribute the shaping public opinion . The history of public relations in the United States of America

began around the last years of the 19th and in the early years of the 20 century (Butteric, 2011). Public relations became very significant in most of the organizations because it can help the companies to create a goodwill with audiences and provide the the counseling . Public relations as a management function developed and spread in most companies especially with increased crises during the last years . This reason made most of companies realize the important role of the public relations to solve the issues and risks which could lead to the collapse of the economics of companies and impeding their reputation .

Public Relations

Public relations emerged to achieve a human understanding, communicate with others and transfer expertise between people, companies and the different cultures. Companies gave great interest for the activities of public relations because it looked like communication channels with different audiences which made them create good plans to achieve that understanding . According to the public relations society of America in 2012 , public relations is a strategic communication process that builds good relationships between organizations and audiences .

The Two Kinds Of Public Relations Plans In Crises

Planning in the field of public relations is important because it helps to determine the objectives and goals that seek to achieve public relations activities in the companies . Planning in the public relations can also help the companies to reach the final goals , achieve success and solve the crises which may effect the economic companies . Planning in the public relations

includes goals , policy development , creating the ideas and determine the budget for the public relations and communications activities . Planning in the public relations divided into two parts which are proactive plan and reactive plan. They are two ways for the companies to address the crises by public relations administration .

Proactive plan . Proactive plan means that companies use public relations opportunities to enhance the strategy of communications and ability to protect the companies from falling into crises. So, many companies decided to develop the proactive plans for public relations in crises and prepare to face the events or emergencies which may hamper the reputation of the companies . Proactive plan in public relations in crises focused to provide information about the crises and take decisions in advance to maintain the reputation of organizations and build good relationships with audiences (Neil, 1999) .

Reactive plan . The other kind of plan in public relations is reactive plan . Reactive plan in public relations means planning during a crisis or problem which can help companies to control the crises as they occur. Most companies which use this type of plan try to not isolate and use communications channels more effectively in crisis situations to provide explicit information quickly for the media, which monitors the movement of the event . This type of plan often makes companies recognize the crises and tell the truth . This kind of plan was designed to control the crisis by putting an immediate end, minimize losses and restore confidence . The success of reactive plan during the crisis depends on the formation of a special team to combat the crisis and the preparation of a press conference to tell the public

the internal and external to the company for what happened to restore confidence with the public , maintain the reputation of the organization and to overcome the crisis (Neil, 1999) .

Crisis Management

Because of the constant changes in administrative work environment and attempts of a lot of organizations to achieve their goals , many crises occur and vary according to the risks causes. Modern companies have realized the gravity of that on the economy and how it obstructs the reputation of the organization . Companies found themselves needing to create specialized administrations in crises which can make excellent plans and tactics that prevent the occurrence of crises and it can help the organizations to continue in the jobs market and address the issues. Crisis is defined as an important threat to the business of companies that can make negative consequences if not addressed early (Timothy, 2007) . Crises often can be surprising and unexpected and can cause a high degree of tension and weaknesses of most companies. The most kinds of crises that may happen in the companies are sudden crises that occur suddenly without warning . Other kinds of crises are accumulated which are expected to occur . It takes a long time before it occurs and it grow with the time passing .

McDonalds Crisis About Hot Coffee Case And Its Effects

McDonald's company is the the world's largest chain of fast food restaurants which services around one billion of customers every day in the different countries . McDonald's Company was founded as a system to provide fast food services for the customers in 1955 in the United States of America

(John , 1995) . McDonald's company began to spread in all continents of the world such as, Europe, Asia, Australia and America . It became one of the biggest fast food restaurants all over the world. McDonald's restaurants provide a variety of foods services for clients such as fast food breakfast which is like Eggs Mc Muffin, Sausage Mc Muffin with Egg and Mc cafee, as well as lunch and dinner foods like Burgers sandwich , salads and different beverages .

In February 1992, in New Mexico which is located in the south of United States of America , Stella Liebeck was a 79 year old woman who went to McDonald's restaurant with her grandson . They stopped their car in front of the restaurant window . Stella bought coffee and when she was trying to open the cover of the cup to add some sugars in the coffee, the coffee spilled on her lap and her body such as the thighs, legs and buttocks . The coffee was very hot. It was between 180 or 190 degrees fahrenheit . It affected her skin.

Stella had strong third degree burns that were very dangerous for her health . She directly went to the hospital . The doctors in the hospital decided to treat her skin burns by a surgery process which made her to spend a lot of money . Stella lost 20 pounds of her normal weight . After that, Stella asked McDonald's to offer financial compensation in the amount of \$ 11, 000 about the damage in her body . She sent an email message to McDonalds to compensate for medical expenses . McDonald's refused to compensate. They did not care about Stella in her health problem (Schmerler, 2011) .

Then Stella decided to pick a lawyer to file a lawsuit against McDonald's for

financial compensation about the damages for her body . Her lawyer was very smart because he was able to find some evidences and information about the degree of coffee heat produced by McDonald's . It was higher than the normal level . Drinking hot coffee like this high degree of heat may lead to injury in throats and mouths for many customers. The court decided by the jury to impose an amount of \$ 200, 000 against McDonald's . The judgment committee also decided to give disciplinary compensation against McDonald's of up to \$ 2. 7 million because they found that McDonald's was reckless and immoral in behavior . After spending a lot of time in negotiations between Stella and McDonald's on the issue , Stella and McDonald's agreed to a secret about the amount of money around one million dollars . (McCann, 2001).

This issue spread in the media about old women in the United States of America became wealthy because of the spill of hot coffee. However, public relations and crisis management in McDonald's made a large successful role in clarifying the facts of this case . They was able to recognize what happened and explain that issue for the audiences , being able to overcome the crisis and earn the trust of the audiences (McCann, 2001) .

Negative Effects of The Crisis On McDonald's

It is a natural that the crisis, which happened in McDonald's, may lead to a lot of effects, which may impact against McDonald's. The lack of plan that may help McDonald's restaurant to deal with crises before it occur is one of the main reasons for occurrence the effects and increase the damages. Some effects of the crises may take a long time to solve. Some of the

companies who have a good public relations and crises management plan are able to removed the risk from the companies and then they can work to improve and development of the situations in the organizations such as re earn the trust of the audiences. The negative effects and the positive effects happened for the hot coffee case in McDonald's. The crisis about hot coffee issue, which happened between Stella and McDonald's company, created some negative effects against McDonald's . For instance, financial losses and threat of the reputation of McDonalds. Hot coffee crisis has caused many financial losses for McDonald's company after Stella filed a lawsuit against McDonald's to obtain financial compensation for physical damage that happened for her.

In 1994 the jury voted that McDonald's bear 80% to pay financial compensation to Stella an amount of about \$ 200, 000 which equivalent to earnings for two days from the sales of McDonald's from coffee products and the amount of \$ 2. 7 million compensation for the Psychological damages that happened for her. These financial losses could be not happened if McDonald's responded took the initiative to provide money and take care about her issue since the first time for this event. Also, this issue could made threat for the reputation of McDonald's which lead to lost many customers confidence or decrease the economic situation. It was a good idea if the McDonald's use these money to establish charities or support public relations activities in McDonald's. These negative effects need to efforts by crisis management and public relations strategies to create an objectives and goals which can help the companies to decrease the crisis or removed it. (Abdullah, 2012).

Positive Effects Of The Crisis On McDonald's

Although, the crisis about hot coffee had some negative effects against McDonald's, but this crisis has some positive aspects . After research in the review of previous studies on the issue and analyze the strengths and weaknesses of the public relations efforts in the face of crisis, the research discovered some positive points which need to exploit and develop in the future. For example , public relations efforts and success to turn the crisis from problem into an opportunity by identifying McDonald's and its products marketing by a lot of media campaigns in social media, which has strengthened the credibility of the company and gain public confidence. The ability to show the real level of public relations efforts to deal with surprise crisis because they managed to put out the crisis in standard time (Ryszard , 2012) .

Public relations efforts in a McDonald's to face the hot coffee crisis

Public relations played an important and vital role in addressing many of the crises suffered by the McDonald's company throughout history. Public Relations has many responsibilities to face the crises which affected to McDonald's such as clarify the facts and responding to inquiries , work to improve the image of the McDonald's in the media in order to earn the public confidence which lead to create and build a good relationship between McDonald's and their customers and achieve the profits money and maintaining economies for McDonald's . In 1992, when hot coffee crisis occurred against McDonald's company , Public Relations dealt with that surprises crisis with a successful manner. Public relations was able to

maintain the company's relationships with customers through several important steps to address the crisis.

Create the media plan to deal with crisis

The establishment of a media plan for dealing with crisis is one of the most important activities and tactics that are working on providing public relations during or before the crisis because it can help to respond to the crisis and to maintain good relations with different audiences and media community about the facts for this event . It also, understand the requirements of different media during a crisis . After the analysis of hot coffee issue that occurred at McDonald's, research found that public relations was able to respond to the crisis by working to create the media plan as an attempt to eliminate the crisis that has spread in the social media and communicate by credibility with the public opinion by spokespersons to convince the public by clarifying the facts about hot coffee crisis . Contact with audiences by social media to clarify the facts , prepare for the press conferences to answer the several inquiries , design the media material to raise public awareness, Increase the advertising space in TV to gain confidence of the public by Identify the best channels of communication and open the relationship with the media which helped mcDonald's to lower the crisis more than before (Thomas , 2001) .

Contact with audiences by social media to clarify the facts

In business, success revolves around good public relations, which entail building cordial relationships with customers in particular and the public, in general. Notably, social media was instrumental in spreading McDonald's

crisis information to its customers and other persons throughout the world. Besides social media serving as a platform that facilitated the defamatory information about McDonalds, it is the best platforms that can help a business to recover public confidence. Moreover, both in the recent times and the present, public relations entails the good use of social media to pass information and strengthen relationships with many people who spend most of their time online.

Admittedly, any crisis threatens the competitive ability of a company and is dangerous to its success or survival. In respect to research information, McDonalds Company had ignored about 700 complaints of burns and injuries from its customers even before the fatal case involving a woman and her baby (Andrea Gerlin, 1994). While most of these complaints were not widespread, the Woman's hot coffee case forced the company to handle the crisis through communicating with the audience (customers and the public) using social media platforms such as Twitter. In essence, in this situation the woman and her son faced the McDonald Company in a position where it had to proof to the audience that they had no reason to admit liability regarding the injuries sustained.

For the MacDonald's hot coffee crisis, it was necessary to establish a personal connection with the audience. Agreeably, this is one of the best approaches for maintaining and enhancing good public relations central to the success of a business. The engagement of people through the social media helped the McDonalds Company to establish a personal and informal interaction with the audience to clarify the facts about the hot coffee crisis. Using the social media is appropriate in these circumstances because it

makes the audience comfortable and open with their communication. More specifically, establishing public relations using Twitter helped the McDonalds Company to obtain the host views of the public regarding the hot coffee crisis because of the absence of a face-to-face interaction. Contrary to a paid advertisement, the contact that the social media creates is more real and engaging in a manner that allows satisfactory clarification of facts.

Largely, McDonalds Company was successful in managing the hot coffee crisis, where a woman was burnt after a cup of hot coffee spilled on her body (Neil, 1999). In essence, the realization that contacting the audience in a fast manner was essential helped the management to take advantage of the social media contact to enhance its image. Moreover, the McDonalds Company managed to operate outside the elementary incident where companies make people wait long before they give vivid communication in respect to crises.

Prepare for the press conference to answer the several inquiries

In circumstances of crisis management, communication given to the media ought to be well prepared and structured to serve in a manner that lessens public outrage rather than inflating the crisis. In respect to this, the management of the company must rehearse before talking anything in a news conference. Admittedly, the time of a crisis represents a dilemma because of the nature of questioning from the journalists. In respect to this, the crisis media training is paramount.

Generally, crisis management requires fast and accurate communication.

Because different people may give different communications, it is pertinent

to designate a spokesperson who is responsible for responding to inquiries from the media. Pertinently, the spokesperson must be retained as a communication agent for the company throughout the crisis. In addition, one or two extra persons should be designated as potential communication agents in case the main designated respondent becomes unavailable.

Although the media questions may not be apparent, practicing on tough questions and conducting rehearsals is essential for a successful media briefing. In fact, it is even helpful to prepare extensively instead of narrowing down to surface facts because the questioning depth of the media is not predictable. The public relations was instrumental in the preparation of spokespersons who participated in the press conference during the interrogation of the media in respect to the hot coffee crisis that faced the McDonald's company. Noticeably, the company managed to hold a successful press briefing when the management realized that the crisis required quick but accurate communication.

In practice, good public relations entail many best practices that individuals should know before engaging the press in an attempt to provide crisis communication. one of the precautions is to avoid denying answering questions in a vague manner with the expression "no comment." For example, some of the questions asked by the journalists regarding the hot coffee crisis were 'confusing' but using the vague expression would mean that the company was hiding something. In essence, it is important to shift the journalists out of such questions, for example, by asking other questions rather than denying commenting. In addition, planning for a press conference entails preparing facts to say and ensuring that simple terms are

used rather than technical terms to enhance clarity. Notably, the McDonalds hot coffee crisis attracted public attention and convincing such people required that the management provided information in a simple and vivid manner to avoid misunderstanding, which could have been interpreted as a plot to hide the truth . Similarly, it is pertinent to assume appearance during the press conference because people are not only interested in verbal communication but also non-verbal communication. Essentially, this means that the spokespersons should avoid nervous behaviors on camera and maintain a steady eye contact.

Design The Media Material To Raise Public Awareness

Good public relations require that statements are prepared in the shortest time possible during a crisis and submitted to the media to create public awareness. In essence, crisis communication includes the initial response and the reputational repair communication. Admittedly, the initial response is essential to clarify facts about the crisis. The initial response for McDonalds Company concerning the hot tea crisis involved a statement that provided information that the accident that occurred to the Woman was not plotted by the Company management or junior staff. Designing the media content is crucial for the company during crisis management because any information released will be used to determine whether the business should admit liability or otherwise. Usually, people become curious in the time of crisis, and they want to get fine details within the shortest possible period. In respect to this, the content of the statements released to the media must be designed in a manner that allows the company to communicate its facts and

position on the crisis.

The statements released to the media should contain the key elements of the management wants to communicate to the public. Usually, during the time of crisis, confusion may result in an information gap. In essence, the crisis management team should quickly prepare adequate information and avoid the gaps. In practice, the media would like to speculate and fill the information gaps, a situation that can compromise the company's ability to handle the crisis.

The McDonalds company adopted a philosophy of speaking with one voice regarding the hot coffee crisis, a situation that helped to maintain accuracy in presentation of facts. Notably, the public requires to be fed with correct and consistent information during the time of crisis management. In respect to this, the McDonald company was keen to avoid making mistakes because, once mistakes are made and corrected, the public gets a negative perception of the company's communication. In addition, the consistent provision of the company's side of the story was instrumental in removing chances of the doubt from the public regarding the credibility of information provided.

Increase The Advertising Space On TV To Gain The Confidence Of The Public

Admittedly, the hot coffee crisis reduced the public trust with the McDonalds Company. In particular, people will tend to doubt the quality of products offered by the company when a situation as that of a woman burnt by the spilled coffee happens. Pertinently, increasing the advertising space helps to restore the public confidence by repairing the reputation of the company. In

essence, advertising changes the way people think about certain products and the company producing them. Notably, McDonalds annual advertising budget is estimated to be over two billion dollars. The high advertising budget allows the company to win new customers and maintain its current customers. Increasing the Ad space on TV is one of the public relations approach that lures people into developing positive thoughts about McDonald and its products. Undoubtedly, this approach ensures that a company reaches many people to recover public confidence after a period of crisis.

Recommendations

The crisis communication tactics for McDonalds were successful in repairing its reputation regarding the hot coffee crisis. In essence, crisis communication approaches used by the management of the company entail a sub- specialty of public relations. In essence, public relations helped the company to turn the crisis into a bridge for success. Although McDonalds Company managed to restore its reputation after the hot coffee crisis, it should ensure that public complaints are addressed early to avoid crises. The reputation of a company is essential to its success. In respect to this, the company should endeavor to build a strong reputation by maintain good public relations. Moreover, the Mc Donald company should layout mechanisms to prevent the occurrence of crises, solve the crises before they escalate and find possible ways to convert crises into opportunities.

Conclusion

Crisis management determines the survival and competitive ability of a company. While crises lead to the downfall of some companies, McDonalds company managed to handle the hot coffee crisis in an efficient manner. In essence, public relations plays a vital role in crisis communication to restore public confidence. In the McDonalds company, the use of public relations knowledge was instrumental in converting the hot coffee crisis into a success opportunity. Therefore, public relations plays a pertinent role in the management of crises common with companies and other business entities.

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