

# Poor external communication essay examples

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Poor external communication is a problem that many companies faced throughout their history. It is not a secret that effective communication can somewhat compensate for the mistakes made by companies, while failure to address general public and customers effectively can destroy even the strongest reputation. This is especially true when bad news should be communicated. In this case it is important to be especially careful about sending the right message and developing the right communication strategy is the ultimate

One of the most prominent cases of poor external communication management in the recent years was the case of Toyota. Toyota is a large car manufacturer from Japan that for decades has been associated with high product quality and technological innovations. In 2009, however, this image was shattered by a series of car recalls that followed a number of accidents in the U. S. Although the quality problems with Toyota cars were found to be quite minor during the investigation by U. S. National Highway Traffic Safety Administration (NHTSA), the way the company communicated the message to the public and most importantly the initial reluctance to admit the fault for the accidents immediately triggered a negative reaction among the consumers. Already in the first months after the news about the accidents appeared in the media Toyota lost millions of dollars in sales and its stock market price fell by more than 17%. The situation did not significantly improve even after NHTSA announced driver error to be the main cause of the majority of accidents. Therefore, it is safe to conclude that the hostile reaction by consumers was not only the outcome of the quality issues but also a response to the way Toyota communicated the message (Kingston,

2010).

Toyota's strategy to respond to the accusations about the accidents had several flaws. At first, the company completely denied its responsibility for the issue. It even tried to shift the blame to the customers suggesting that drivers' mistakes were the only reason behind the accidents. The CEO of the company refused to give comments on the situation and did not even touch upon the problem in press conferences. Such reaction led to a major disapproval from the general public and consumers, who demanded the issue to be properly investigated. Having realized the size of the problem Toyota had to partially accept the fault for the accidents but called its American distributors responsible for the incorrect use of the floor mats that prevented the accelerator pedal from functioning properly. Only several months after the first accident reports Toyota representatives finally announced the recalls and communicated that the company accepts their fault.

The next month were very difficult for Toyota. The recalls coincided with the period of the economic crisis of 2009, which was a challenge in itself for the many companies. Toyota has started repairing the damage by publicly apologizing both for the quality problems and for their attempt to avoid addressing the situation. The company appointed a new CEO, Akio Toyoda, who is a member of the founder family. This step meant to show to customers that Toyota wants to go back to its roots, to reemphasize high ethical values and humble attitude too success that were a cornerstone of Toyota's strategy for decades. They also publicly announced a massive recall of faulty vehicles, thus showing that Toyota is willing to pay the costs of own

mistakes. The company has also launched a large campaign dedicated to the recalls, which aimed to explain to customers that quality continues to be of high priority for the company and it will be placed even higher on the agenda after the tragic accidents in the U. S.. On the organizational side, Toyota has also made significant changes in order to avoid such issues in the future. Firstly, they formed a new Technology department that had a task to assess customer perception of quality and safety of Toyota vehicles (Sakurai, 2011). Secondly, internal communication between dealers and the HQ were significantly improved to ensure Toyota dealers are not afraid to report even minor problems in case they are detected. However, despite all the efforts it took the company several years to get back on track and to repair the reputational damage that their ineffective communication strategy created.

## **References**

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