

# Crisis communications toyota uk's sticky accelerator pedal



Toyota UK's sticky accelerator pedal recall of January 2010 was considered by journalists as a disaster for its reputation with UK customers (Booth and Teather, 2010 and Hutton, 2010). Yet just three weeks after the crisis broke comments left by customers on the company's UK website revealed that they did not share this opinion. This essay will seek to understand these reactions, explain them and suggest ways Toyota's own crisis communication efforts may have helped and hindered them. After establishing the Toyota recall as a 'crisis', the essay will undertake a content analysis of customer comments to the company's UK website. The Situational Crisis Communications Theory (SCCT) of Coombs and Holladay (1996, 2001 and 2002) will then be applied to the results to start to explain these responses. The essay will then move on to assess how Toyota's own crisis communication efforts, as evidenced by a content analysis of company statements uploaded to Toyota's UK website, followed the tenets set out by SCCT. The aim will be to demonstrate how Toyota's crisis response strategies could have negatively and positively influenced these customer reactions. The essay will then conclude by suggesting further research needs to be done to prove any direct causal relationship between Toyota's crisis communication strategies and the resulting customer reactions.

Before beginning this analysis it is important we give the essay a strong foundation by establishing that the Toyota accelerator recall was in fact a crisis and therefore warrants the application of crisis communications theory. Underpinning this process is the definition of a crisis as a 'an event or a perception of an event that threatens or violates important value expectancies of stakeholders and [where] stakeholders reactions can

seriously impact the organization's performance and generate negative outcomes' (Coombs, 1999, quoted in Tomasz and others, 2010, p. 637).

Within this definition is the concept of stakeholders, which is interpreted as 'any group or individual who can affect or is affected by the achievement of the organisation's objectives' (Freeman, 1984, p. 46). In the case of Toyota this could include the customers who buy the cars; the staff, who make them and the shareholders, who finance the company.

According to Tomasz and others (2010) the expectations mentioned in this definition above centre on what they perceive to be an agreement or promise by the organisation. These are formed from exposure to information about the organisation, published by the organisation itself and the media; societal norms and interpersonal interactions with the company and other parties. Tomasz and others (2010) go on to explain that an episode that threatens or violates these expectations can be considered a crisis. The result of which can make stakeholders change their attitudes towards the organisation and/or change their behaviours, thus negatively affecting profitability and stockholder value.

How well a company is meeting expectations can be described as reputation (Coombs, 2004a). So, it is important that, before applying this theory to the sticky accelerator pedal recall, we ascertain Toyota's reputation. From Toyota's own corporate material (Toyota, 2010a and Toyota, 2010b) and media articles (The Telegraph, 2010) about the car marque, the brand promises are clear. By buying a Toyota customers are promised safety, reliability and quality.

By applying the theory above to the accelerator recall, it is reasonable to suggest that if the sticky accelerator fault occurred, a car could become unpredictable thus making the vehicle unreliable and unsafe to drive, and threatening two key customers expectations As a consequence, because these issues had never occurred before, customers could begin to feel like the quality associated with the marque had diminished, thus potentially violating the third brand pillar.

With Tomasz and others (2010) placing a direct link between the threat or violation of expectations and negative stakeholder behaviour, it is also reasonable to suggest that the recall episode could have some damaging consequences for Toyota and its business goals, including a potential drop in car sales as customers stopping purchasing the marque, which would then lead to a drop in the company's share price. This therefore shows that the sticky accelerator pedal recall defiantly fits into definition of a crisis, as outlined above.

What was at stake was Toyota's relationship with its customers. That is why this essay will focus on looking at the crisis from their point of view, in particular its UK customers. In the next part of the essay I will seek to start to understand how customers reacted to this crisis by analysing messages this stakeholder group left on Toyota's UK website. The aim of this examination is to start to build a picture of what damage was done to the relationship between Toyota and its customers due to the crisis episode. This analysis is heavily influenced by the work of Tomasz and others (2010) and as a result breaks the possible harm into two categories; negative changes in customer attitudes to the organisation and negative changes to customer behaviours.

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With these categories in mind 400 posts were analysed that had been left on Toyota's UK website in reaction to the company's pleas for 'Your Experiences of the Recall' (Toyota, 2010c). Toyota uploaded this appeal to their blog two weeks after the countrywide fix of affected models began, therefore giving an indication of the final thoughts of customers. Firstly, these posts were coded as positive, negative or neutral in their attitude towards Toyota. Each post was then broken down further and coded for evidence that the customers perceived Toyota to be responsible for the crisis, that their opinion of the car marquee had been damaged and that the crisis had affected their purchase intentions. Reputation was examined by looking for evidence of the three stakeholder expectations, as established above.

These results showed that only 16% of customers in this sample had a negative attitude towards Toyota and only 1.3% blamed the car marque for what had happened (Purnell, 2010). As for the three pillars of Toyota's reputation, just 2.6% of the customers sampled thought Toyotas were now unsafe, 1.9% considered them unreliable and 1.3% thought quality had dropped (Purnell, 2010). However, most interestingly just 2.7% said the crisis had put them off buying a Toyota (Purnell, 2010). It is therefore fair to say that overall the posts were positive, with comments including 'not a major problem'; 'not changed my loyalty'; 'will keep buying Toyotas' and '11 out of 10 for Toyota acknowledging the problem and actually doing something about it'. With percentages high in the 'not mentioned categories' it is also interesting to stop for a moment and look at the topics that customers were concerned about. Many customers were concerned and

confused about how they were affected by the way the recall had been handled.

In the next section of the essay I will apply the tenets of SCCT as developed by Coombs and Holladay (1996, 2001 and 2002) to the sticky accelerator crisis in a bid to shed light on why customers may have reacted in the ways established above. The reason SCCT was chosen was because the core proposition of the theory is that during crisis situations organisations need to protect their reputations. The way they can do this is by developing crisis responses based on the specific circumstances of a particular situation. Successfully implementing such tailored responses will have a positive effect on stakeholder perceptions. The match between the situation and the response strategy is based on attribution of responsibility and different responses strategies imply different degrees of responsibility (Coombs and Holladay, 1996, 2001 and 2002).

SCCT (Coombs and Holladay, 1996, 2001 and 2002) suggests that a match between the Toyota crisis and the suggested crisis response strategy can be identified using a two step process, which involves determining the frame stakeholders use to categorise the crisis and then establishing if any intensifying factors are present. SCCT (Coombs and Holladay, 1996, 2001 and 2002) offers three frames, victim, accidental and intentional. The categories present increasing levels of attributions of responsibility and therefore threat posed by the crisis. Using this model in relation to the Toyota recall, reveals that the episode fits into the accidental crisis category which has a low attribution of crisis responsibility. This is because the situation was caused by the failure of a mechanism in certain models of their <https://assignbuster.com/crisis-communications-toyota-uks-sticky-accelerator-pedal/>

cars that could not be detected by normal inspection and could therefore be considered technical – error product harm, one the subsets of the accidental crisis category.

With this base level of threat established the next step is to look at whether any intensifying factors were present during Toyota's sticky accelerator pedal recall. SCCT identifies two intensifying factors, a crisis history and prior reputation (Coombs, 2004b). In SCCT if an organisation had a similar crisis in the past or is suffering from a poor reputation with stakeholders, the current crisis will be a much greater reputational threat because it will establish a pattern of behaviour by an organisation (Coombs and Holladay, 2004). In Toyota's case one of the two intensifying factors is present. The company, despite having a strong reputation with customers, had been having problems with product recalls since 12 months before the accelerator pedal problem. In January 2009, Toyota issued a global recall of 1.3 million cars, including some in Britain, because of seatbelt and exhaust problems. The company's woes in this department were also exacerbated by the fact that two weeks into the sticky accelerator pedal crisis, the company issued another global recall for its Prius model because of suspected brake problems.

SCCT (Coombs, 2007b) then combines these factors to evaluate the reputational threat presented by the crisis. Therefore Toyota's accelerator pedal recall rates as an accidental crisis, with minimal attributions of crisis responsibility but because of the intensifying factor it has the potential to produce greater reputation damage than would normally be for this

category. This means that although customers see the event as largely out  
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of the control of Toyota and unintentional, there is an increased chance that it will damage the company's reputation with customers. The application of SCCT to the Toyota recall supports the results of the content analysis above and goes a long way to explain why customers reacted this way. A much stronger attribution of crisis responsibility and therefore threat would have been levelled at Toyota, if customers considered the product recall has been intentional, perhaps a human error crisis caused by someone not doing their job properly (Coombs, 2007a; Coombs and Holladay, 2002).

Although the SCCT model (Coombs, 2007a; Coombs and Holladay, 2002) starts to explain the customers' reactions represented above, especially as to why they did not blame Toyota, what we can't forget is that SCCT predicts that the episode has the potential to create serious damage to Toyota's reputation with its customers in the posts analysed. It is reasonable then to expect to see a significantly larger proportion of negative feedback from this audience group. However, this is not evidenced, which suggested that Toyota's own crisis communications efforts may have helped to minimise the impact the crisis had on the company's relations with its customer base. The next section of the essay will analyse how well Toyota's own crisis communication efforts met the tenets of SCCT (Coombs, 2007a; Coombs and Holladay, 2002). By analysing statements made by the company on its UK website between January 28 2010 - when the crisis began and February 10 - when the company began fixing the affected vehicles.

On January 28 Toyota UK issued its first public statement explaining that the accelerator pedal problem currently affecting the US could now affect the UK and Europe (Toyota, 2010d). It focussed on explaining to drivers what signs  
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to look out for and what Toyota was doing to rectify the situation. This is the type of message that SCCT would consider to be instructing information, i. e. information that would help affected people cope physically with the crisis. Instructing and adjusting information are the two types of information that SCCT suggests begin and are part of every crisis response strategy (Coombs, 2010).

So it was entirely appropriate that Toyota began its crisis communication efforts in this way. But it is equally important that this hard work was sustained ' Organisations must protect their stakeholders to protect themselves (Coombs, 2010, p. 29)'. However, Toyota did not do this. Once the first statement was issued Toyota waited three days before issuing any further statement (Toyota, 2010 e) on their website or elsewhere, leaving customers with no instructing information during this period.

To make matters worse there was also a complete lack of adjusting information. Adjusting information are expressions of compassion and the efforts the company is making to prevent a repeat of the crisis (Coombs, 2010) Such information makes victims feel better about the crisis and hold less animosity toward the organisation (Cohen, 2002). Yet until day five of the crisis, February 1(Toyota, 2010e), Toyota had not expressed any sympathy towards those affected and had not announced what steps the company was making to prevent a reoccurrence.

This evidence shows that during the initial stages of their crisis response Toyota broke both of the basic tenets set out by SCCT, which Coombs

( 2010) would suggest meant that the company failed in helping customers deal practically or psychologically with the crisis.

Although this was not a strong start Toyota's efforts from February 1(Toyota, 2010e) were significantly better. They regularly updated their website with instructing information, including confirming what vehicles were affected, that a fix had been found and how the fix process would work (Toyota, 2010f, Toyota, 2010g, Toyota, 2010h, Toyota, 2010i, Toyota, 2010j, Toyota, 2010k, Toyota, 2010l and Toyota, 2010m). This instructing information was also supported by a steady flow of adjusting information, including comments by President and CEO of Toyota Motor Europe, Tadashi Arashima, on February 1( Toyota, 2010e), which expressed ' regret that it( the crisis) was causing concern; and a statement by the world-wide President of Toyota, Akio Toyoda, on February 5( Toyota, 2010i), which indicated that the company deeply regretted the ' inconvenience and concern caused to our customers(by the crisis)' and confirmed that he would lead a special quality task force to address the problems.

This demonstrates a strong use of both instructing and adjusting strategies, but Toyota's crisis response efforts did not stop there. The company's January 28 release also shows the start of a third strategy (Toyota, 2010d). Toyota explains that the accelerator problem only occurs in ' rare instances' which this author interprets as the beginning of what SCCT theorists would consider a diminishing strategy. This strategy continues in subsequent posts and is Toyota's bid to minimise the seriousness of the crisis. This strategy continued throughout the crisis, as evidenced by statements such as ' Toyota is not aware of any accidents resulting from this condition in Europe' <https://assignbuster.com/crisis-communications-toyota-uks-sticky-accelerator-pedal/>

(Toyota, 2010e) and that the recall is merely a precautionary measure to 'guarantee the highest quality standards to all customers' (Toyota, 2010e). These efforts are in line with the SCCT tenets for crises which attract minimal responsibility but have an intensifying factor. The use of such strategies significantly strengthened Toyota's efforts and these are further bolstered by correct application of reinforcing strategies alongside these primary strategies, as suggested by SCCT (Coombs, 2006). These are demonstrated through the use of comments such as those made by MD of Toyota GB, Miguel Fonseca, on February 4 (Toyota, 2010g), which state that customer safety 'has been and will remain our top priority'. These seek to add positive information about the organisation and remind people of its past good works.

In summary then, it is reasonable to say that, despite a weak start, Toyota's crisis responses efforts did follow the tenets set out by SCCT (Coombs, 2010) and should therefore have worked to minimise the possible damage the recall had on the company's reputation, by positively influencing customer opinions. It is interesting at this point to return to the findings of the content analysis of customers reactions (Purnell, 2010), which showed that minimal damage had been done to Toyota's relationship with important stakeholder group and where there was negative feelings towards to company, these reflected the areas of weakness subsequently found in Toyota's crisis response strategies. An example of this is that the lack of information and detail about the product recall and how the fix would be handled that occurred in the first few days of the crisis. The company then paid for this weakness, with many of the negative customer comments expressing confusion and worry about how the recall affected them and frustration

about how the process was being handled. These findings are very useful because they strongly point to the fact that the weaknesses in instructing and adjusting information at the start of Toyota's response strategy did have an ultimate affect on customer perceptions. With this in mind, it is also reasonable to suggest that where Toyota's efforts correctly followed the tenets of SCCT (Coombs 2010), these may have had a positive effect on customer impressions of the organisation. But, although this analysis strongly suggests such a direct relationship, it far from proves one. It is therefore suggested that further research is needed to substantiate such claims and prove that Toyota's strategies actually influenced the resulting customer reactions and therefore definitely diminished the impact of the crisis episode had on the company.

In conclusion, this essay would like to propose that, despite media warnings to the contrary ((Booth and Teather, 2010 and Hutton, 2010), the sticky accelerator recall of 2010 was not a disaster for Toyota's reputation with UK customers. Critical to understanding why this occurred is the recognition that despite threatening to violate customer expectations, the product recall did not actually do so. Insight into why this did not occur can be found by applying SCCT (Coombs, 2007a; Coombs and Holladay, 2002) to the episode. This predicted that Toyota customers would attribute minimal responsibility to Toyota because the episode was caused by a technical fault; something that goes a long way to explain why so few customers blamed Toyota for the episode. But, nevertheless, SCCT (Coombs, 2007a; Coombs and Holladay, 2002) points out that the recall still remained a substantial threat, because of Toyota's crisis history. This essay proposes that this threat was

successfully minimised by Toyota's own crisis communication response.

Despite weaknesses in the provision of instructing and adjusting information, the brand successfully followed the tenets of SCCT (Coombs, 2010) and used diminishing and reinforcing strategies to minimise the negative effect the recall had on customer perceptions. However, despite customer reactions appearing to mirror the strengths and weaknesses of Toyota's strategy, how they influenced them remains unconfirmed. It is therefore suggested that further research is undertaken to try to prove a direct causal relationship between Toyota's strategies and the resulting customer responses.